

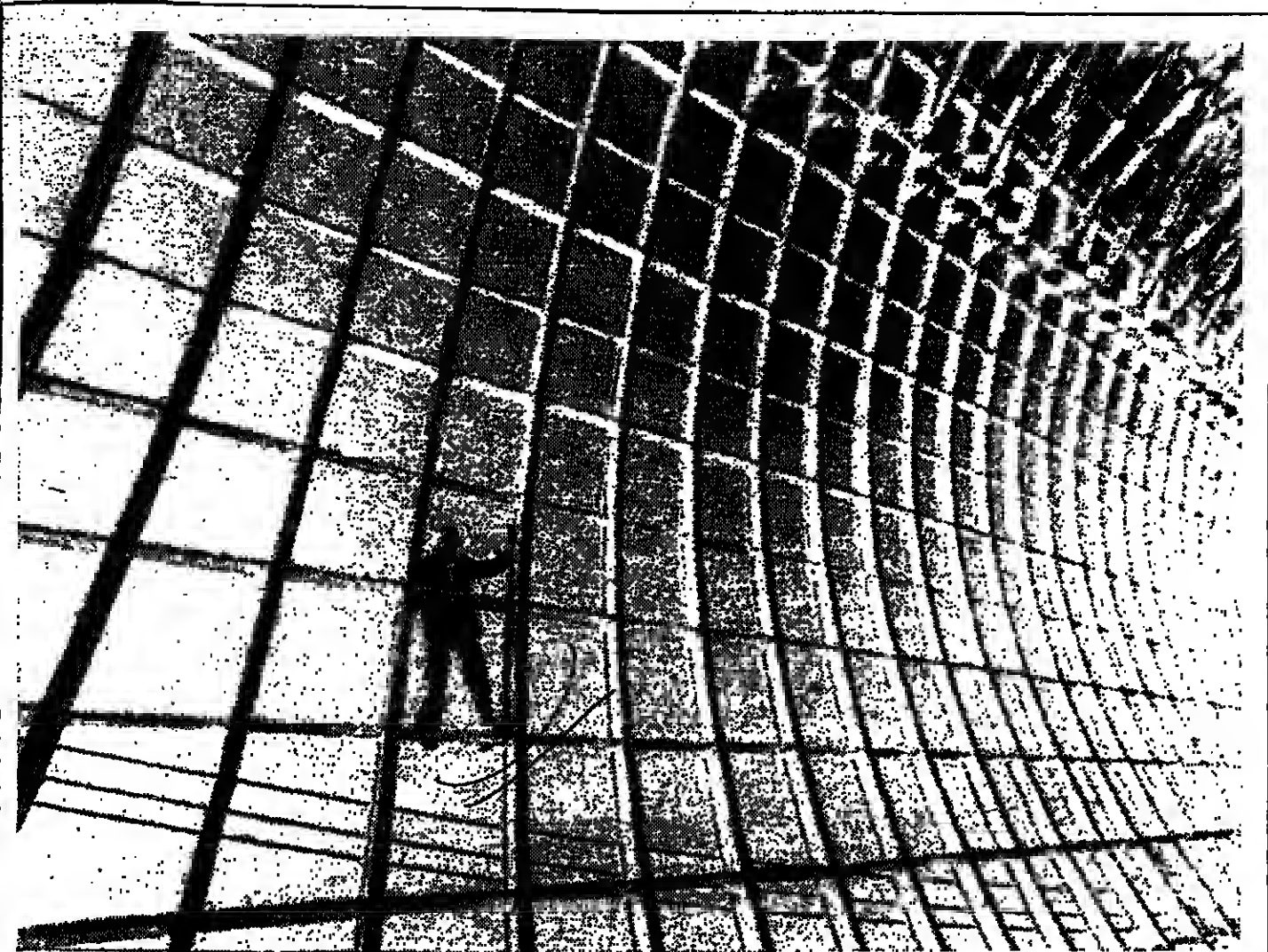
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Established 1887



SYMPHONY IN STEEL—Construction worker Robert Rawlings of Radcliff, Ky., provides the counterpoint in this composition in steel that is part of a building that is just beginning to rise on the skyline of Louisville, Ky.

To Halt Slide of Dollar

Federal Reserve Raises Discount Rate

By Art Fine

WASHINGTON, Jan. 8 (WP).—The Federal Reserve Board, apparently alarmed by the further slide of the dollar, has acted to stem the decline by forcing domestic interest rates to rise.

The board Friday increased its discount rate—the interest it charges on loans to member banks—to 8 1/2 per cent, from the 6 per cent level that has prevailed since October.

The move, decided by the board in a 4-to-3 vote, was made with only token advance consultations with the Federal Reserve's policy committee, some of whose top policymakers were surprised by the action.

White House officials expressed mixed reactions. Although the administration wants to arrest the decline of the dollar, it also fears that higher interest rates could choke off a U.S. economic recovery.

The Federal Reserve's action was regarded as extraordinary. The central bank has raised interest rates only four times in the last 15 years—all in response to

major balance-of-payments problems. The rationale behind the move is to make the United States a more attractive market for investment in comparison to Europe and Japan, thus attracting more investment from abroad and stemming the outflow of U.S. investment funds.

Officials hope that, if the investment situation is turned around, the U.S. balance-of-payments position will improve and the value of the dollar in the foreign-exchange markets will increase.

A problem, however, is that the move also will tend to raise interest rates for domestic borrowers and add to U.S. inflation. Carter administration officials have cautioned that, if interest rates rise too sharply, it could hurt the recovery.

The action was the third major step in three weeks by the United States to cut the dollar's decline. President Carter issued a statement of concern about the currency situation last month. And last Wednesday, the United States announced it was ready to begin intervening in the markets to prop up the dollar.

Friday, before the late-evening announcement of the Federal Reserve action, the dollar declined further on the major foreign-exchange markets, although more modestly than on previous days.

In a statement announcing its action, the board described the currency market turmoil in unusually strong language, saying the recent disorder in the markets "constitutes a threat to orderly expansion of the domestic and international economy."

The board also expressed "hope that the need for the increase will prove temporary." The governors added that "the condition of the domestic economy is sound, and that credit supplies to sustain economic expansion will remain ample."

It was not fully clear how well the Federal Reserve coordinated its action with the Carter administration. Michael Blumenthal, the secretary of the Treasury, issued a statement saying that he was "consulted" about the decision and that "we understand the rationale for the move." However, other top officials were taken by surprise.

It was reported yesterday that Mr. Blumenthal was not informed until after the Federal Reserve vote. The decision to raise the discount rate was backed by the Federal Reserve chairman, Arthur Burns, and three other governors. International authorities said after the announcement that raising the discount rate is a "standard" step for a central bank to take when its currency is declining. The action was regarded as partly symbolic, but analysts emphasized that the United States "needed to demonstrate a tough stance" to halt the dollar's slide.

Although steel-importing groups have complained of potential losses of markets here, neither Japan nor the European Economic Community, the major supply points, has raised objections. The EEC in fact, has just installed a similar system.

A central conclusion of the watchdog agency, whose main job is to preserve the elements of free competition in U.S. society, is that a minimum price for steel imports in effect compels foreign steel producers to act as if they were a "steel-export cartel."

The report said: "Reference prices establish cartel-like prices above those which the market would have permitted. As with any cartel, its participants will have an incentive to cheat. In this case, participants are steel exporters and cheating means selling below the reference price. One would expect that a variety of quasi-legal kickback devices

(Continued on Page 2, Col. 3)

FTC Report Criticizes U.S. Steel Import Plan

By Clyde H. Farnsworth

WASHINGTON, Jan. 8 (NYT).—A Federal Trade Commission staff report has attacked the Carter administration's reference price plan to check steel imports, calling it a "pernicious" form of trade restriction that will cost U.S. consumers more than \$1 billion a year.

The strictures were incorporated in a huge study of the U.S. and international steel industry by the FTC's Bureau of Economics. A draft of the unpublished report, obtained by The New York Times, contains the harshest criticism yet made by any institution, foreign or domestic, of the hastily devised steel aid program announced by the administration last month.

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2 Political Killings in Rome Set Off a Wave of Violence

ROME, Jan. 8 (AP).—Rome was swept today by reprisals and other violence after a political assassination squad's slaying of two young rightists and the critical wounding of a third, who was shot by police during a protest over the two murders by terrorists.

In the new year's first round of political violence, the reprisal attacks included the ransacking of a Communist party office, the burning of cars, the breaking of store windows and center-city attacks in which roving bands of rightist youths injured several persons.

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The violence between groups of political extremists erupted during political tension over a possible government crisis. Four of the six parties that keep Christian Democracy's minority regime in power have called for a change in the political situation. Three demand the inclusion of Communists in the government.

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Sadat Says Total Evacuation Of Sinai Is Agreed by Israel

But Begin's Cabinet Votes To Build Up Some Camps

By William E. Farrell

JERUSALEM, Jan. 8 (NYT).—Mindful of the sensitivity of the Israeli-Egyptian ministerial negotiations scheduled to start this week, the Cabinet rejected today plans for establishing new settlements on Israeli-occupied lands in Egypt's Sinai Desert.

The Cabinet secretary, Aryeh Naveh, said that the Cabinet did vote to extend agricultural lands and encourage additional settlers in existing Israeli communities in the northern Sinai, an area called the Rafah Salient, and in the vicinity of Sharm el Sheikh, at the peninsula's southern tip on the Red Sea.

In addition, it was learned that 30 members of the ultra-nationalist Gush Emunim (Faith Bloc) moved today into Israeli-occupied Arab lands near ancient Shikh on the West Bank of the Jordan River to form the nucleus of a controversial new Israeli settlement that was approved earlier by the Cabinet but which had been delayed.

Mr. Naveh said that the decision to foster the development of existing Sinai settlements was consistent with ideas expounded by Prime Minister Menachem Begin to President Anwar Sadat of Egypt when the two leaders met in Ismailia on Christmas Day.

Since that meeting, Mr. Sadat has told interviewers several times that he would not countenance the presence of any Israelis on Egyptian soil once a peace treaty was signed. Mr. Begin's plan for restoring Egyptian sovereignty in the Sinai calls for the retention of the existing Israeli settlements under Israeli military protection and under Israeli administrative and judicial systems.

Asks Temperate Talk. Mr. Begin tonight criticized Mr. Sadat's statement that the Israelis should "burn" the settlements once a treaty was agreed upon. Speaking to a meeting of the Likud party, Mr. Begin said: "We should leave the monopoly on burning to Menachem Begin."

Mr. Carter made the comments in an interview given to newsmen aboard Air Force One on Friday night as he was returning to the United States after his tour of seven nations. The text of the interview was released by the White House yesterday.

Conceding that he had made a few mistakes during the Journey of 18,000 miles, the President pronounced the overall impact of the trip a success. He said: "I wanted to project an image of a nation that stands for what is right and decent and good; strengthen the concept of democracy, both in the developing and developed nations; try to make progress on resolving the Middle Eastern dispute. . . . These were the things that I had in mind, I think we did a fairly good job."

The Middle East generally, and the issue of the Palestinians specifically, dominated Mr. Carter's trip. He met with Mr. Sadat in Aswan, Egypt, and also held discussions with King Hussein of Jordan, Shah Mohammed Reza Pahlavi of Iran and King Khalid and other Saudi leaders.

Officially, the Arab nations are demanding that the Palestinians have the "right of self-determination," including the right to create an independent state of their own between Israel and Egypt.

In his interview Friday, Mr. Carter proposed giving the Palestinians, after a period of Arab-Israeli administration of the disputed territories, a limited kind of self-determination—in that they could decide either to continue that arrangement or to align themselves with Jordan. But his proposal would not give the Palestinians the right to create an independent state—something the Israelis have vowed never to accept.

Conceding that working out the details of such a plan is "going to be a problem," the President said "there are no differences (Continued on Page 2, Col. 6)

Bars Jewish Settlements Once Egypt Takes Land

By Christopher S. Wren

CAIRO, Jan. 8 (NYT).—President Anwar Sadat of Egypt has declared that Egypt and Israel are in complete agreement on the principle of a total Israeli withdrawal from the Sinai peninsula and stressed that Cairo would not let any Jewish settlers remain on reclaimed Egyptian territory.

"I do not agree to the presence of a single Jewish settler on my land," Mr. Sadat said. "Let them destroy them. Neither do I allow a single Israeli civilian or soldier to remain. This is something I have categorically stated and we are finished with it."

Mr. Sadat's remarks, published today in the popular Egyptian weekly October, seemed timed to respond to the latest activity by Jewish settlers in the Rafah salient of northeastern Sinai. The interview coincided with other expressions of renewed Egyptian resentment over the settlements on Arab territory and their tacit endorsement by the government of Prime Minister Menachem Begin.

Mr. Sadat repeated today in a press conference in Khartoum that he would not agree to the presence of a single Israeli soldier or civilian on Sinai soil once a peace settlement is concluded with Israel. At the conclusion of a two-day visit to the Sudanese capital, Mr. Sadat said the Israelis should alter their "old conception," United Press International reports.

Earlier in Aswan, Mr. Sadat also said that Palestinians should be given the right to determine their future "within a few years." He said he needed time to study a suggestion that a tripartite administration composed of Jordan, Israel and the Palestinians administer the West Bank and the Gaza Strip under self-determination. Some Egyptians have complained that Israel was taking advantage of Cairo's peace overtures by pushing ahead with new settlements in occupied Egyptian territory. Yesterday, the semi-official newspaper Al-Ahram called the latest settlement activity in the Sinai "incompatible with the peace negotiations between Egypt and Israel."

The settlement could create an initial stumbling block in the new round of Egyptian-Israeli talks, which will be held at ministerial level in Jerusalem and Cairo this month. The joint political committee, which also will be attended by Secretary of State Cyrus Vance (Continued on Page 2, Col. 6)

Two-Stage Proposal

Carter Airs His Ideas On Palestinian Future

By Edward Walsh

WASHINGTON, Jan. 8 (WP).—President Carter believes that the problem of the Palestinians on the West Bank of the Jordan River and in the Gaza Strip may be solved by beginning with an "interim solution" that would provide for the administration of those areas to be shared by nations involved in the Middle East dispute.

Under this proposal, the Palestinians eventually would be given the right to decide either to remain under joint Arab-Israeli administration or to create an independent state of their own between Israel and Egypt.

Sounding optimistic about progress in the Middle East peace negotiations, the President reiterated his opposition to the creation of an independent Palestinian state on the West Bank and said that every Arab leader he had consulted in the last two weeks fully supported the peace initiative of Egyptian President Anwar Sadat.

Mr. Carter made the comments in an interview given to newsmen aboard Air Force One on Friday night as he was returning to the United States after his tour of seven nations. The text of the interview was released by the White House yesterday.

Conceding that he had made a few mistakes during the Journey of 18,000 miles, the President pronounced the overall impact of the trip a success. He said: "I wanted to project an image of a nation that stands for what is right and decent and good; strengthen the concept of democracy, both in the developing and developed nations; try to make progress on resolving the Middle Eastern dispute. . . . These were the things that I had in mind, I think we did a fairly good job."

First Interview Since Egyptian's Trip

Assad Explains Opposition to Sadat Initiative

Since Egyptian President Anwar Sadat made his pilgrimage to Jerusalem six weeks ago, many journalists have requested interviews with Syria's President Hafez al-Assad. Last week he agreed to receive Newsweek's Arnold Zehrfeld.

Berechgrave—President Sadat has been accused of treason by Palestinian, Iraqi, Libyan, Algerian, Southern Yemeni and Syrian authorities. What has been treasonable in his policies thus far? Wasn't his Knesset speech the kind of statement you yourself would have made at a Geneva conference?

Assad—Well, he went to Israel, which meant the recognition of Jerusalem, which meant the recognition of Jerusalem as the unified capital of Israel. He broke Arab solidarity and dealt separately and alone with affairs that concern the whole region, which he had no right to do. And he destroyed efforts for peace which were on the way to being fruitful. By doing this, by doing all of this, he gave up the process of peace and shifted to capitulation.

A—This is not true. What he says is one thing and what he does quite another. Sadat is now on the way to a separate deal. The road he has chosen can only lead to such a deal. Don't confuse separate agreement with an overall settlement and real peace in the area. When he went to Jerusalem he had in the back of his mind that there should be such an outcome. He is merely

Q—Am I correct in assuming that you share Sadat's overall concept of peace—a return to the 1967 borders with proper guarantees, including demilitarized zones on both sides of the frontier, early-warning stations, etc., and a Palestinian state in return for real peace, or at least the kind of nonbelligerency we see between East and West Europe today?

A—I think you should turn the question round. Does Sadat share with us the view that peace should be based on complete withdrawal from the territories occupied in 1967 and the recognition of the rights of the Palestinian people, in their own state, and that all this should be achieved through joint and collective Arab movement? This can only be done by not bowing in front of the enemy and by maintaining the possibility of using various legitimate means to restore our rights in full—in other words, real peace. Goals and means are complementary. One cannot view peace in isolation from the road that leads to it. Peace is an honorable goal and the path we follow should likewise be honorable. The way Sadat behaved was inconsistent and incompatible with this concept.

Q—Ever since Sinai II in September, 1975, you have been apprehensive about Sinai III, or a separate peace between Egypt and Israel. (Continued on Page 5, Col. 2)

Amst.	12.8	Kent	21.0
Belgium	20.8	Luxembourg	20.0
Denmark	20.0	Norway	20.0
France	20.0	Portugal	20.0
Germany	20.0	Spain	20.0
Greece	20.0	Sweden	20.0
Ireland	20.0	Switzerland	20.0
Italy	20.0	Turkey	20.0
Japan	20.0	U.S. Mfrs.	20.0
Netherlands	20.0	U.S. Exports	20.0
Poland	20.0	U.S. Imports	20.0
Sweden	20.0	U.S. Balance	20.0
Switzerland	20.0	U.S. Trade	20.0
Turkey	20.0	U.S. Deficit	20.0
U.S. Mfrs.	20.0	U.S. Exports	20.0
U.S. Exports	20.0	U.S. Imports	20.0
U.S. Imports	20.0	U.S. Balance	20.0
U.S. Balance	20.0	U.S. Trade	20.0
U.S. Trade	20.0	U.S. Deficit	20.0

'77 Performance Of U.S. Stocks

Complete summaries of trading on the New York and American Stock Exchanges in 1977 are given in tables on Pages 10 and 12. A recap of mutual fund trading in 1977 appears on Page 13. The financial report also includes the regular weekly recaps of the previous week's trading.

Documents Reveal Japanese Were Working on A-Bomb

By Malcolm W. Browne

NEW YORK, Jan. 8 (NYT).—Documents have come to light indicating for the first time that Japanese scientists were at work during World War II on an atomic bomb for use against the United States, but were thwarted by air raids, lack of official coordination and funds, and the backwardness of atomic physics in Japan.

The new findings were reported in an article by Deborah Sharpley in the latest issue of Science.

Two main Japanese sources provide a new insight into wartime Japanese atomic science—the 13th volume of a history of science and technology during

World War II, which was published in Japan in 1970, and a social history of science by Tetsu Hirohige, published in 1972.

These two works prompted studies by two U.S. scholars, Charles Weiner at the Massachusetts Institute of Technology and Herbert York Jr. of the University of California, former chief scientist of the Department of Defense.

Since World War II, it had been generally assumed that while atomic research in Nazi Germany posed a potential military threat to the Allies, Japan was never in the race for an atomic weapon.

Some of the criticism directed at the United States for having destroyed the cities of Hiroshima and Nagasaki with atomic bombs has been based on the idea that the Japanese themselves never considered such a weapon.

Ideas of this kind are likely to be examined in a new light because of the fresh documents, scholars say.

"Actually, such knowledge would not have influenced my own thinking about Japan," Mr. York said in an interview. "But I imagine many others might have taken a much harder view of Japan."

Japan's five small cyclotrons and forbid Japan to engage in nuclear research.

The Japanese documents suggest that Japan's nuclear efforts were much more diffuse than the centrally coordinated Manhattan Project in the United States, which developed the U.S. bomb.

The main part of Japan's research apparently was conducted at a laboratory known as the Eiken in Tokyo, and was headed by a physicist named Yoshio Nishina, who died in 1951.

Nishina apparently left no record or other indication of the true nature of the work of his group of scientists, the knowledge of which eluded U.S.

intelligence interrogators and war crimes investigators after the war.

The U.S. scholars studying the period suggest that a conspiracy of silence on the part of Japanese atomic physicists had been so effective that the truth had come close to being obscured forever.

But accounts in the last two years by various Japanese scientists have disclosed some information.

Japan never straightened out the problem of administering its atomic program. When Nishina's organization was put under army control, the highly competitive Japanese Navy set

Continued on Page 5, Col. 2

Foreign Press Seen Target Censorship Is Protested By Rhodesia Newsmen

SALISBURY, Rhodesia, Jan. 8 (AP).—Rhodesian journalists have reacted sharply to new emergency censorship laws and have warned the white minority government of the "sheer futility" of trying to bully the international press.

Emergency regulations published yesterday in an extraordinary Gazette notice banned local and foreign reporters from writing anything but the official version of events in the five-year-old guerrilla war.

The new laws appear to be aimed at the 20-member corps of foreign correspondents whose reports of fighting between whites and black nationalists has been more comprehensive than local reports.

Journalists who violate the new laws are subject to a year in jail and fines of \$1,500.

In a statement published in the independent Sunday Mail newspaper, Michael Hartnack, president of the Rhodesian Guild of Journalists, said the government's action had harmed the credibility of the government's information.

Mr. Hartnack said that, in the future, the "terrorist claims of improbable victories must gain credence and our communiques (from the military command) be placed on an equal footing with their unsubstantiated propaganda."

Mr. Hartnack asserted that the guild "is weary of trying in reason with the government while trying patiently and courteously to advise and to warn against the sheer futility of attempting to bully bodies such as the Roman Catholic Church and the International press."

A recent Catholic publication reporting alleged atrocities committed by security force men against civilians has been banned here.

The censorship laws are the harshest that have been introduced against foreign correspondents here. Local newspapers were censored for three years after Prime Minister Ian Smith seized power in a unilateral declaration

of independence in November, 1965.

Since then, editors have followed guidelines provided by the military command and the civilian government.

But until yesterday, no specific censorship existed against foreign journalists, although more than 80 have been deported or declared prohibited immigrants for sending dispatches unfavorable to the government.

The Sunday Mail, which carried a front-page story that was subjected to the new laws, did not comment on the government action.

The government Gazette, outlining the regulations, said reporters were forthwith prohibited from reporting on the war unless the sources are official. The notice specified official sources as military communiques or government statements, evidence in courts, parliamentary debates or reports approved by the information minister in consultation with the military command.

A government spokesman, explaining the new measures, said: "Regrettably, there have recently been a number of breaches of the existing security clearance procedures of material intended for publication or broadcast."

Journalists who travel to military zones on government-sponsored or authorized trips have usually submitted their copy to military censors for clearance.

Nationalists Sought

The following report has been censored by the Rhodesian military command.

SALISBURY, Jan. 8 (AP).—Troops and police today were combing white-owned farmlands and bush country 20 miles northwest of here in a hunt for black nationalist terrorists who last week were reported to have murdered three civilians and three security force men.

The military command has reported in an official communique that a terrorist operating in the area had slain a white woman and her 15-year-old daughter yesterday.

Ex-Nationalist Wounded in 2d Attack

White Apartheid Foe Is Killed By Gunmen at Durban Home

DURBAN, South Africa, Jan. 8 (Reuters).—Dr. Richard Turner, a leading white opponent of apartheid, was shot and killed in front of his children at his home during the night, the police said today.

Dr. Turner, 36, a political science lecturer at the University of Natal, was under a five-year government banning order that was due to end next month.

Less than an hour before Dr. Turner was killed in Durban, a former African nationalist who had given evidence for the state in several trials was shot and critically wounded in a black township on the other side of the city.

According to press reports, the police were investigating whether there was a link between the two shootings. But detectives handling the murder of Dr. Turner were not available to comment and a friend of the dead lecturer said: "It seems rather remote to me."

No arrests had been made in either case, the police said in a statement tonight.

Earlier Shooting

Just under a month ago unidentified gunmen fired at the Durban home of Mrs. Fatima Meer, another banned anti-apartheid leader. Mrs. Meer was not hurt but a guest was wounded twice.

The police said Dr. Turner and his two daughters, Jann, 13, and Kim, 9, were awakened by a knock at the front door. Dr. Turner moved the curtains to look through the children's bedroom window and was shot through the glass. He died almost instantly.

Dr. Turner and his wife were divorced, and the two girls, who usually live with their mother in Cape Town, were staying with him on vacation.

NINA RICCI
Before the presentation of the Spring Collection
SALES
of Winter Collection
Models
Boutique Accessories
Furs and Hats
Wednesday January 11
from 9:30 a.m. to 11 p.m.
and from 2:00 p.m. to 10:30 p.m.
20, rue des Capucines

2. Your mother worries.
(Another good reason to call home.)
An international call is the next best thing to being there.



French Communist leader Georges Marchais addresses the party's national conference, held in Paris this weekend.

Remarks Called 'Unacceptable'

French Communists Denounce Carter Political 'Interference'

By Jonathan Kandell

PARIS, Jan. 8 (NYT).—The French Communist party accused President Carter yesterday of unacceptable interference in domestic politics for warning the Socialists against an alliance with the Communists only 10 weeks before parliamentary elections that could bring the left to power in France.

At the same time, the Communists, who opened their national conference yesterday, formally rejected an alliance with their erstwhile Socialist allies in the March elections. However, they left the door open for a possible coalition on the second round a week later.

The strategy, however, could reduce the overall leftist vote by scaring off moderates upset by the Communists' hard line. But it underscores the main concern of the Communists—to regain their position as the dominant leftist party, which they lost in recent years to the Socialists.

In speaking to the national conference, Mr. Marchais strongly criticized the Socialists and blamed them for the breakdown of talks in September on a leftist alliance, wire services reported.

"The Socialist party shilly-shallies, retreats and finally rejects necessary reforms. Each time the battle takes a decisive turn François Mitterrand gives in," he said.

"At the moment when a choice must really be made, the Socialist party runs away, the battle and leaves once again in the hands of the bourgeoisie the old policy of collaboration with the upper classes," Mr. Marchais said.

Mr. Carter's remarks, which were denounced in a front-page editorial of the Communist daily, l'Humanité, were made Friday during a meeting he had here with Mr. Mitterrand, the French Socialist leader.

To Produce Camouflage Nets

2 Sioux Tribes Win \$15.6-Million Army Job

By George C. Wilson

WASHINGTON, Jan. 8 (WP).—This time it was the Army that had the Indians surrounded, and the two Sioux chiefs said they liked the idea.

The endorsement occurred at a Pentagon press conference on Friday in which the Army announced that it would pay two Sioux tribes \$15.6 million to make camouflage nets.

Sioux Chief Norman Hollow, standing with Army Secretary Clifford Alexander on his right and two Army generals on his left, noted that his tribe had made good use of camouflage in destroying the army of Lt. Col. George Custer at the Battle of Little Big Horn in 1876.

Firemen in U.K. Remain Divided On Pay Offer

LONDON, Jan. 8 (UPI).—Britain's 35,000 striking fire-fighters appeared divided over the weekend on whether to accept the call of their union leaders to end an eight-week-old walkout.

The Delegates Conference of the Fire Brigades Union will reconvene Thursday to vote on the call off the strike and accept a government pay raise offer of 10 per cent now and more later.

The conference alone is empowered to stop the walkout. The firemen demanded an immediate 30 per cent raise, three times the government's anti-inflationary limit for public employees. The government repeatedly rejected the claim.

Terry Parry, the union general secretary, called the pay formula a "very great victory" and the best they could hope for.

But a union official said: "There is a great deal of mixed feeling over the offer and it is by no means out of the question that the majority will want to accept it."

PLO Holds Funeral for Slain Envoy

Martyr's Ceremony Is Given in Beirut

BEIRUT, Jan. 8 (Reuters).—In thunder, lightning and torrential rain, Palestinian guerrillas held a martyr's funeral today for Said Hammam, killed by an assassin's bullet in London last week.

Yasser Arafat, the Palestine Liberation Organization leader, supporting Mr. Hammam's widow, Khalida, walked behind the flag-draped coffin as it was borne through the refugee camps of west Beirut.

Mr. Hammam, the London representative of the PLO, was described by Mr. Arafat as "a martyr of the Palestine revolution."

British police are hunting a man identified only as Adel for the slaying Wednesday of the 36-year-old Palestinian moderate. PLO officials in Beirut have indicated, meanwhile, that they suspect hardline Palestinian dissidents of carrying out the assassination.

After the funeral procession left a west Beirut mosque, guerrillas aimed their Soviet Kalashnikov rifles at the 10 den skies and fired volleys in salute.

The body, flown from London last night, was flown to Amman, capital of Jordan, after the funeral. Mr. Hammam is to be buried in Jordan, where he spent his childhood after his family fled Palestine when the state of Israel was created in 1948.

Salah Khalaf, second man in the al-Fatah command group, hinted yesterday that an Iraqi-based splinter group was under suspicion in the killing.

Norwegian Case Cited

OSLO, Jan. 8 (AP).—In a report from London yesterday, the Oslo newspaper Verdens Gang reported that a Moroccan waiter, Ahmed Bouchikil, was a special PLO agent when he was killed by Israeli agents at the Norwegian resort town of Lillehammer on July 21, 1973.

U.S. Pilots Get Special Shorts Of Charcoal

LONDON, Jan. 8 (AP).—U.S. Air Force pilots will soon get new black underwear made of a material that might have ended up in kitchen curtains instead.

The U.S. Defense Department has ordered 27,500 sets of the British-made one-piece underwear, which is made of a very fine charcoal and is specially designed to keep out the cold and protect the airman from wartime hazards of poison gas, germs and radioactive fallout.

The charcoal material acts as a near-perfect filter. When it first was developed, one suggested use for the cloth was as kitchen curtains because it would filter out cooking odors.

The idea behind Eurocommunism was that Communism in Western Europe were emerging as a more moderate, less sectarian force, independent of Moscow and willing to reach power through parliamentary coalitions, including non-Marxist parties.

The French Communists have virtually rejected this concept by breaking away from their Socialist allies in recent months and reviving a militant rhetoric of class struggle and cold-war politics.

Contrary to reports, Chief Hollow said, Custer did not surprise the Indian encampments along Rosebud Creek in the Dakota Territory—now Montana—"from stories of elders in the tribe," the chief said, "we know that the Indians were well aware of the movements" of Custer and his men before the big battle.

Mr. Alexander held the press conference on the Army's intensified effort to help Indians and other minorities by awarding their firms more contracts, like the ones for the camouflage nets.

By fiscal 1979, Mr. Alexander promised, the Army will at least double the \$120 million in contracts it awarded to minority-owned firms in fiscal 1977. "It's the most viable program for helping the disadvantaged," he said.

But, taking the subject back in the Battle of Little Big Horn, a reporter pressed the two Sioux chiefs to explain how their forefathers managed to beat Custer so decisively.

"I'd rather not comment," said Chief Hollow of A & S Industries, which will make 40,000 camouflage nets for \$3.3 million at the Federal Indian Reservation at Fort Peck, Montana.

"Same comment," said Chief Carl McKay, whose tribe at the Fort Totten Reservation in North Dakota is to get \$12.3 million for its work.

Both said they welcomed the Army work with Chief Hollow estimating that yesterday's addition to existing camouflage contracts would provide his reservation with 106 jobs. Chief McKay said it would mean 250 jobs to his tribe.

You had us surrounded by the Army when you asked those questions about Custer," Paul Roesler, a Navajo who heads economic development at the Bureau of Indian Affairs, told a reporter after the television lights went out at the press conference.

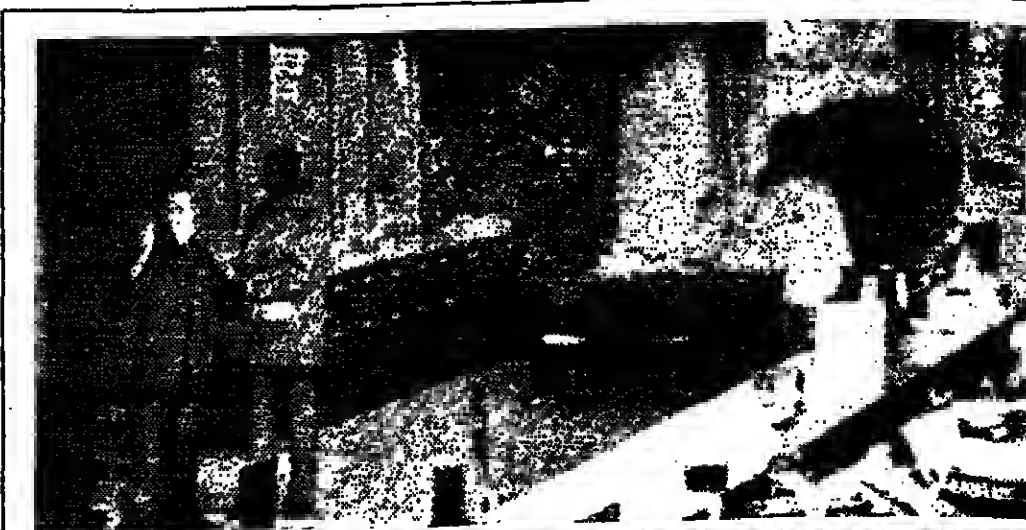
Asked why he did not expound on why Custer was defeated at Little Big Horn, Chief McKay said: "The contract isn't signed yet."

NICOSIA, Jan. 8 (Reuters).—President Spyros Kyprianou of Cyprus was assured last night of being reelected in elections next month after the Socialist Edeks party leader, Vasios Lyssarides, announced he will not stand as a candidate.

Mr. Glafkos Clerides, leader of the Rally party, has already withdrawn from the contest and the largest party here, the Communist Akel party, has said that it will not put up a candidate for the elections on Feb. 5.

Mr. Lyssarides said in a television interview that his Socialist Edeks party would not engage in a "meaningless election adventure," even though he does not fully agree with the policies of Mr. Kyprianou, the Democratic party leader.

The presidential office became vacant in August last year by the death of Archbishop Makarios, who had held the post since 1960. Mr. Kyprianou was nominated unopposed to serve the remainder of the archbishop's term of office.



Carter Views Two-Stage Palestinian Future

(Continued from Page 1)

that separate us from Sadat." When he met with Mr. Sadat in April in Washington, Mr. Carter said, the Egyptian President said he did not expect to see a Middle East peace settlement in his lifetime. In Aswan last week, Mr. Carter added, Mr. Sadat said he had been "completely wrong" in that gloomy prediction.

Mr. Carter also discussed India, calling his visit there "extraordinary," and he took the blame for a gaffe that marred the warmth of his welcome in New Delhi.

The gaffe was Mr. Carter's comment to Secretary of State Cyrus Vance, while he was, unaware that the talk was being recorded by television newsmen, that the United States should send Indian Prime Minister Morarji Desai a "cold, very blunt" letter about India's refusal to accept certain safeguards in connection with supplies for its nuclear power program.

"It was my mistake," he said. "I should have said a very frank and factual letter."

Mr. Carter said that the incident did not damage his relationship with Mr. Desai and that they had joked about it in New Delhi.

On other aspects of his trip, the President said that:

• His visit to Poland convinced him that the Iron Curtain "is being parted." He said: "We are not trying to drive a wedge between those Warsaw Pact nations and the Soviet Union. But we are trying to get them to look to us as friends who want peace, who recognize the horrible suffering that they have experienced and who are building a basis for friendship and trade and mutual enrichment."

• The Shah of Iran "is deeply concerned about human rights," and, in some aspects, Iran has experienced considerable progress in human rights over the last 20 years.

• The "outpouring of emotion

tremendous crowds" that greeted him in France were "more than I had anticipated."

• Another foul-up—the mis-translation of his remarks at the Warsaw airport—would have no lasting effect. He said he joked about it with Polish Communist leader Edward Giersek, who told him: "In Poland, we don't criticize women or translators."

Mr. Carter said that despite the brutal schedule he kept on the trip, he was not tired until in Beirut. But he suggested that future foreign travel by what America is, what America wants to be.

Of the trip generally, the President said:

"It was a trip that was symbolic of the power and influence and the goodwill of the United States. I tried to emphasize everywhere I went the concepts of morality and decency and goodness and friendship and human rights. . . . It was symbolic to that degree. It symbolized what America is, what America wants to be."

Begin's Cabinet Votes Buildup For Existing Camps in Sinai

(Continued from Page 1)

reports of plans for four new Sinai settlements and as many as 30 new military strongholds in the desert were being leaked by former Gen. Sharon, a major proponent of massive Israeli settlement in lands captured from the Arabs in the 1967 war.

Mr. Na'or's description of today's stormy Cabinet meeting, which lasted more than five hours, was a scanty one. He said only that no new settlements were planned for the Sinai.

But apparently members of the Democratic Movement for Change, a political party that is a member of Mr. Begin's coalition government, voted against even the plans to expand existing Sinai settlements, claiming that such moves muddled the search for peace and would be unnecessary as long as the Sinai was under Israeli occupation.

Mr. Sharon offered another setback when the Cabinet rejected him as a member of the Joint Israeli-Egyptian political committee. The inclusion of Mr. Sharon in the delegation was

thought to be a certainty a few days ago.

Today Mr. Begin himself urged Mr. Sharon's inclusion, and the Cabinet's rejection of the idea marked the first time that the Prime Minister has suffered such a rebuff from his ministers since he won the general election.

There are now 17 Israeli settlements in the Rafah area, at the southern end of the Gass Strip, and three in Sinai south of the Israeli port of Elath.

Mr. Na'or declined to say how extensive their enlargements—envisaged by the Cabinet—would be. Na'or would not provide a figure for what the government foresaw as increases in their populations.

Mr. Begin, who heads a right-of-center government, and who for years was the hard-line leader of the opposition, has come under increasing fire in recent days by elements who regard his peace proposal as a gateway that endangers Israel's future security. Mr. Begin's supporters have included some who were close supporters in the past

he had offered the Israelis a choice of two other alternatives: These were either to declare the Straits of Tiran an international waterway with the right of navigation guaranteed by the United Nations or to garrison an international force at Sharm el Sheikh to provide free passage as long as the force "does not include a single Israeli soldier."

In criticizing the Jewish settlements yesterday, Al Ahran said that "Israel knows clearly that Egypt rejects the creation of such settlements as a prelude to a future security."

Sadat has stressed this, he said, Egyptian policy both during his visit to Jerusalem and at the meetings in Islamabad. Friday, the newspaper Al Gomhouria called the recent settlement activity a "sabotage" of the peace process.

U.S. Aides Question Remarks

WASHINGTON, Jan. 8 (NYT).—Carter administration officials familiar with the Middle East had again remarked that Mr. Sadat's comments on removal of Israeli settlements in the Sinai went beyond what had been agreed between him and Mr. Begin, as far as could be determined here.

While it was true that the two leaders agreed in Cairo on total Israeli military withdrawal from the Sinai peninsula, the U.S. officials noted, Israel insists that the withdrawal take place in phases still to be negotiated.

In addition, the U.S. officials observed, Israel expects to maintain some settlements in the Sinai, perhaps with some autonomous police authority, as well. These are also matters still to be negotiated, the officials said.

3 Hurt in Israeli Blast

JERUSALEM, Jan. 8 (Reuters).—Three Arabs were injured today when a bomb went off in a crowded bus station in the eastern part of the city.

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Government Audit Under Way

Universities Accused of Misusing U.S. Funds

By Gene I. Macroff

NEW YORK, Jan. 8 (NYT).—A widespread pattern of sloppy bookkeeping and alleged misuse of federal research funds, involving hundreds of millions of dollars, has been disclosed in a series of audits of colleges and universities around the United States by the Department of Health, Education and Welfare.

The audits, covering many of the nation's largest institutions of higher education, although government officials have made the assumption that failures to follow accepted procedures were not a sign of wrongdoing, a storm of criticism could develop in Congress if the findings are indicative of practices throughout the academic community, as some federal officials suspect. Congress provides \$4.4 billion a year for scientific research.

Fiscal inspectors at institutions of higher education have found multiple examples of practices such as failing to document that work was performed on federal

contracts, permitting researchers to give time to projects than contracts specified, allowing unauthorized transfers of funds between projects, paying more than once for the same work, breaking the prohibition on first-class air travel, not accounting for equipment and supplies, using federal money to pay for non-federal work and overcharging federal accounts.

These audits, closed throughout 1976 and 1977 and dealing with various periods earlier in the 1970s, were obtained by a former researcher at Harvard University under the Freedom of Information Act and were made available to The New York Times.

Dr. Phil Cohen, a physician who conducted medical research at Harvard for 20 years, said that he had obtained the audits to determine if he had seen in the use of research funds at Harvard.

"There were some things done incorrectly in connection with part of Dr. Cohen's grant, and

the money was promptly returned to the federal government," Daniel Steiner, Harvard's General Counsel, said yesterday. "The more general audit that is now taking place is of a kind that has occurred at other universities, and we are cooperating completely."

Dr. Cohen's allegations against Harvard have led HEW to initiate a full-scale audit of all the university's federal research money, one of 42 such comprehensive audits that a department spokesman said is now under way around the country.

The following are a few of the earlier findings of the audits of HEW, which were in most cases disputed by the universities:

- The University of Minnesota billed the federal government for \$25,024,569 in salaries and wages "on the basis of unsupported estimates" and lacked "acceptable justification" for transferring \$2,780,480 between contracts.

- The University of Oklahoma, where auditors said they "could not determine the allowability

and reasonableness" of about \$3 million in salaries and wages, allowed time cards to be certified by a department chairman, applied by aides who "could not have firsthand knowledge of all of the activities of all employees."

- The University of Mississippi received \$172,850 to train physicians' assistants from disadvantaged backgrounds or underserved areas but abandoned the program, without having provided proper training facilities or needed faculty members.

- The University of Iowa paid unallowable tax-free stipends of \$855,154 to postdoctoral fellows and graduate research assistants who were not eligible for the payments under the Code of the Internal Revenue Service.

- Rensselaer Polytechnic Institute in Troy, N.Y., paid wages to as many as 40 employees for time not spent on the job.

- The University of Southern California "maintained an excessive average daily cash balance of \$2.1 million" by withdrawing money from federal accounts before it was needed and causing the federal government to lose interest on its funds.

A careful examination of the audits raises questions not only about the ways in which colleges and universities have handled federal funds, but also about the willingness of government agencies to demand an end to wasteful practices and to seek recovery of money that has been improperly spent.

"We want to find out why universities have been allowed to transfer funds between projects as it has been alleged and why federal authorities are willing to settle for repayment of 10 cents on the dollar, which seems to be par for the course," said D. C. Goldberg.

Important First Step

Mr. Goldberg is on the staff of the House's Interdepartmental Relations and Human Resources subcommittee of the Committee on Government Operations. The subcommittee, headed by L. E. Fountain, D-N.C., was instrumental in the creation last year of an inspector general to oversee audit activities at HEW, which is seen as an important first step toward curbing abuses in federal contracts, as well as in Medicaid and Medicare.

Now, according to Mr. Goldberg, the subcommittee is considering holding hearings on information turned up in the audit reports.

"There is some question of whether it is good public policy to require repayment of money where expenditures cannot be substantiated," Mr. Goldberg said. "Some people believe that if the government followed this approach it would literally bankrupt many institutions of higher education."

Federal research money is earmarked for specific purposes but audits revealed many instances in which colleges and universities ignored or circumvented government regulations and, in effect, exercised unauthorized discretion in expenditures.

The complexity of the regulations is apparently a problem and university officials maintain that Congress has not been realistic in its demands for keeping track of researchers and asking that they record their time and effort.

"It is hard for a principal investigator to do a research project to split his time among five activities—teaching, research, graduate students and other duties—and still keep good records," said D. F. Finn, executive vice-president of the National Association of College and University Business Officers.

Spokesmen for the universities have convinced government officials of the need for changing accounting procedures, and simplified, more practical rules are about to be promulgated, according to Robert Wilson, public affairs officer for the inspector general, Thomas Morris.

"After the new rules are issued and the institutions have had time to adapt to the changes, we plan to impose sanctions if they do not improve their performance," Mr. Wilson said.

Somali Leader Seeks 'Dialogue'

NAIROBI, Jan. 8 (UPI).—Somali President Mohamed Siad Barre has called on the Ethiopian government to conduct a "genuine dialogue" with insurgent groups in the country to settle the crisis on the Horn of Africa.

Somalia's official news agency quoted Mr. Barre as saying on Friday that the only precondition to a solution of the crisis was the "noninterference of foreign forces," a reference to involvement by the Soviet Union and Cuba on Ethiopia's behalf.

FTC Study Criticizes U.S. Steel Import Plan

(Continued from Page 1)

will emerge. As the U.S. Treasury will be called upon to monitor reference prices, a further costly bureaucratic expansion would be required.

Following widening steel industry layoffs, which triggered an intense congressional reaction, President Carter last fall appointed an interagency committee under the chairmanship of Anthony Solomon, deputy Treasury secretary, to study the steel industry.

The committee set up a system of minimum allowable sales prices below which importers are penalized with steeply higher "dumping" duties. The industry had complained that it was being hit by unfair foreign competition. Steel was being "dumped" in the U.S. market at below the production costs of foreign mills, U.S. companies said.

Last week, the administration announced a set of minimum prices below which the sale of foreign steel will generally be prohibited. The average price floor is about 3.5 per cent below the present price of U.S. made steel. However, since U.S. companies plan to raise their prices by 5.5 per cent on Feb. 1, the margin will widen.

Administration officials contend there is ample room for competition within the system, one of the points disputed by the FTC. The FTC also says that the medicine of reference prices is worse than the disease of protectionism that the medicine was supposed to cure.

The administration had argued that if it did not act to curb steel imports indirectly through these reference prices, Congress would get into the act with quotas or tariffs and protectionism would intensify.

But the FTC argues that the reference price is actually more harmful to the economy than equivalent tariffs, for the following reasons:

- Reference prices have a lack of flexibility that discourages price flexibility over the business cycle.

- Problems with the proper administration, estimation and monitoring of reference prices are enormous and will result in the establishment of a costly federal bureaucracy.

- Reference prices may circumvent the checks and balances



Simon Nelson weeps in a Milwaukee courtroom after he waived extradition to Rockford, Ill., for trial.

Illinois Man Charged With Killing His Six Children as They Slept

ROCKFORD, Ill., Jan. 8 (AP).—A 46-year-old father was charged yesterday with stabbing and beating his six sleeping children to death with a hunting knife and a rubber-headed mallet.

One veteran of 15 years as a police investigator called it "the worst mass murder in the history of the city and the most vicious murder I've ever seen."

Rockford police broke into Simon Nelson's three-story stucco home here after Milwaukee police notified them that the children's father had been arrested in that city and charged with beating his estranged wife, Ann, 38.

Mrs. Nelson informed Milwaukee police that her husband, an account executive for a management-employment firm, told her that he had killed their children, aged 3 to 12. Roseann Nelson, 5, and her sister, Jennifer, 12, were found dead in their bed in a second-floor bedroom. Their pet doghound was in the bed, its throat slit, said police Capt. Richard Anderson. The girls' four brothers—Matthew, 7, Andrew, 9, Simon Jr., 10, and David, 3—were found dead in their third-floor bedroom.

Hungary Held Likely to Win Special Trade Status in U.S.

By Michael Getler

BUDAPEST, Jan. 8 (WP).—Senior U.S. officials forecast privately yesterday that prospects now seemed "quite good" for eventually granting most-favored-nation trade status to Hungary.

The Hungarian government, probably the most liberal within the Soviet-led Communist bloc, has for many years sought to expand its trade with the United States under the more favorable tariff conditions that go with such status.

The situation, however, has been stable because of a trade with emigration that is primarily aimed at the Soviet Union, and by the delicate relations between Budapest and Moscow.

At a press conference here yesterday, Secretary of State Cyrus Vance said that he had discussed the trade-status question with the Hungarian foreign minister and that he was "encouraged by those discussions and hope that we will make progress in the future."

Purpose of Trip

Mr. Vance, however, emphasized that the purpose of his visit to Hungary was the return of the sacred Crown of Saint Stephen "from the American people to the Hungarian people," and that it would be "inappropriate to dwell" on other aspects of relations.

Mr. Vance returned to Washington yesterday after making a brief stop in Ireland, where he was briefed by Irish Foreign Minister Michael O'Kennedy on developments in Northern Ireland. The two talked for 90 minutes at Shannon Airport in Dublin.

Nevertheless, it was the first face-to-face discussion at the secretary of state-foreign minister level on the subject, and both U.S. State Department and diplomatic officials here said that, while no agreement was made, they were optimistic that an arrangement would be worked out and would be supported in Congress.

Mr. Vance said that U.S.-Hungarian relations are "very good and will, in my judgment, grow stronger as a result of the return of the crown." Hungary's 1,000-year-old symbol of nationhood fell into U.S. hands at the end of World War II.

Mr. Vance said that discussion of the most-favored-nation status will be continued by U.S. Ambassador Philip Baker, who Mr. Vance also credited with a key role in "bringing about the return of the crown."

The major problem for the Hungarian government of Communist party chief Janos Kadar has been the 1974 Jackson-Vanik amendment to the U.S. Trade Act. It meant primarily to force freer emigration from the Soviet Union, especially for Jews, in return for the most-favored-nation status.

The dilemma for Mr. Kadar is that, while his government has probably done more to protect the Jewish population here than other East European countries, his ability to practice domestic liberalism stems from his allegiance to the Kremlin's foreign policy.

Thus, even if the way is cleared in the U.S. Congress for Hungary, there still could be problems with Moscow. The Soviet Union and most other bloc countries, including Hungary, consider the U.S. law an insult and an interference in their internal affairs.

Although it does have a tight emigration policy, Hungary allows the only Jewish rabbi in the East to operate and Mr. Kadar has resisted pressures to remove Jews from the many prominent positions in government, religious and cultural life. Hungary's deputy vice-premier, Gyorgy Aczel, who is also Mr. Kadar's right-hand man, is Jewish.

Poland, Romania

The only two Soviet-bloc countries that have most-favored status are Poland, which had it before the new law, and Romania. Both are viewed by Western officials as much more anti-Semitic than Hungary.

Hungary's trade with the United States, even without the special trade status, has increased substantially, from about \$50 million in 1973 to almost \$200 million annually now.

Mr. Vance also said that the Hungarian government had made "substantial progress" on the reunification of divided families and that only a few cases, that were being worked on by Budapest, remained.

Mr. Vance also echoed an emerging theme of the Carter administration, saying "our relations show that countries with different economic, political and social systems can work together on matters of mutual interest to our peoples."

He said that the Carter administration was seeking to improve its relations with Eastern Europe but that the best way to deal with the problems and the issues was on a face-to-face, case-by-case basis.

After Brief Transition Period

Burns, Outgoing Chief of Fed, Seen Resigning From Panel

By Hobart Rowen

WASHINGTON, Jan. 8 (WP).—Except for a brief transition period, Federal Reserve Chairman Arthur Burns does not plan to continue as a member of the Board of Governors after his term as chairman of the central bank expires on Jan. 31.

Mr. Burns is entitled to remain a member of the seven-man board for six more years, until the expiration of his 14-year term in 1984.

He has confided to friends that "there is no clear reason" to continue in view of the excellent qualities of his successor, former Textron president William Miller. He would have stayed only if he considered his successor "dangerous" to the economy.

Mr. Burns's decision to leave the board has been anticipated by the White House, although it has received no formal word yet of his intentions. A preliminary search is under way for a replacement.

Opposition Defused

Having skillfully defused corporate opposition to the removal of Mr. Burns by the designation of Mr. Miller—a man with impeccable business credentials—President Carter is expected to appoint a person of moderate or liberal leanings to the other position.

Mr. Burns went yesterday to Basel for his final conference with international central bankers, following the decision Friday night to raise the discount rate—the interest rate the Federal Reserve charges on loans to member banks—from 6 to 6.5 per cent.

The Fed's action caught the Carter administration by surprise, although Treasury Secretary Michael Blumenthal tried to smooth things over Friday night with a statement saying he had been "consulted" and that the administration understood "the rationale" for the move.

It was learned yesterday that Mr. Blumenthal was not informed until a phone call from Mr. Burns after the Federal Reserve had voted.

Standard Practice

Simultaneously—after the action—other Federal Reserve officials phoned to inform the Council of Economic Advisers and the Office of Management and Budget. This has been standard practice—one of the manifestations of the so-called "independence" of the Federal Reserve.

The administration recently has moved closer to Mr. Burns's position on the dollar. Last week, the Treasury joined with the Federal Reserve in a more active effort to stop the decline by intervening in foreign-exchange markets to prop up the dollar.

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But officials were not prepared for a discount-rate increase.

"Here we are trying to reduce the cost of capital so we can stimulate business investment by a tax cut this year," an administration economist said. "Now, the Fed makes the cost of capital more expensive by raising interest rates."

Mr. Burns, it was learned, was planning to confront his fellow central bankers at Basel with the need for them to "do their part" in stabilizing exchange rates by increasing economic activity in their own countries—in part by lowering interest rates.

"No Decision"

BASEL, Jan. 8 (AP).—Mr. Burns said today that he has made "no decision" yet on whether to remain on the Federal Reserve Board after he is replaced as chairman.

Mr. Burns called reports that he would leave the panel "completely premature."

"When I have decided what my next moves will be, I will inform the President accordingly," Mr. Burns said.

Peking Envoy Of U.S. Says Ties Improve

HONG KONG, Jan. 8 (WP).—The U.S. envoy to China said yesterday that Washington's relations with Peking had "improved considerably" in the last two months despite the fact that there was no sign of an agreement on the issue of Taiwan.

Leonard Woodcock, chief of the U.S. liaison office in the Chinese capital, said that since early November, when he returned from a trip to the United States, "the day-to-day relations with the Chinese have been improved considerably."

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After Senator Meets Panama Leader

Baker Predicts Changes in Canal Treaties

By Robert G. Kaiser

PANAMA CITY, Jan. 8 (WP).—After a meeting yesterday with Panama's leader, Sen. Howard Baker Jr., D-Tenn., ended his five-day visit here and declared that the Panama Canal treaties can pass the Senate.

Senate approval will depend on compromise, the minority leader said. He added that, in his opinion, Gen. Omar Torrijos, the Panamanian strong man, would accept compromise, including amendments to the original treaties.

Gen. Torrijos himself avoided an opportunity to publicly confirm or deny Sen. Baker's prediction. Instead of coming to Panama City for a farewell meeting, Gen. Torrijos asked Sen. Baker to fly to his beach house, 40 minutes away. After meeting with the senators for more than an hour, Gen. Torrijos sent his foreign minister to speak for him at the airport news conference that concluded Sen. Baker's visit.

Foreign Minister Nicolas Gonzalez-Revilla said Gen. Torrijos retained "an open mind" to Panamanian and U.S. sources here both say that Gen. Torrijos has had a painful time coming to the realization that President Carter cannot insure Senate approval of the canal agreements. Less than a month ago, sources here said, Mr. Carter's aide Hamilton Jordan was telling Gen. Torrijos "here the Senate would approve the treaties."

Gen. Torrijos was surprised and upset Wednesday when Sen. Baker told him at his first meeting that the canal treaties could not win Senate approval as they stand. U.S. officials here said Gen. Torrijos may have overestimated his ability to win over wavering senators.

But as spokesmen of Sen. Baker made clear, the Tennessee Republican has decided to support the treaties, providing Gen. Torrijos

makes a few concessions, which Panamanian sources say he is prepared to do.

Sources here suggest that Gen. Torrijos's reaction to the changing political situation surrounding the treaties reflects both lack of

knowledge about U.S. affairs and his delicate position in Panama. Gen. Torrijos apparently has relied his political standing here on success in the treaty negotiations, which would mean securing the Panama Canal for Panama, although not until 1990.

When the treaties were signed last year, Gen. Torrijos and his associates felt they had won this.

Since then, however, they have been forced to make a series of new concessions—not of great substance, but embarrassing because they have involved succumbing to U.S. pressure.

U.S. Rights

His first difficulties arose in October over Panamanian interpretations of clauses in the treaties involving U.S. rights to defend the canal militarily and use it for military purposes after 1989.

To clear up this question, Mr. Carter asked Gen. Torrijos to stop off in Washington on his way home from a trip to Europe.

Mr. Carter persuaded Gen. Torrijos to approve a joint communiqué, issued Oct. 14, interpreting the treaty language as fully upholding U.S

The European Connection

The few days Jimmy Carter spent in Western Europe seemed to us to be the heart of his foreign trip. From our vantage point, they were days well spent. The trip as a whole may not loom large in the history books; it provided no obvious boost either to U.S. international standing or to Mr. Carter's political standing. But it let him tend to a central and never-ending task of American statecraft: keeping warm and close ties between the United States and its European allies.

Mr. Carter arrived in the White House committed to deepening, by consultation, and to widening, by including Japan, the Atlantic bond that the United States solidified in World War II. This was his large purpose in Europe. To the Common Market he pledged fresh American determination to help steer the Western economy through recession and resurgent protectionism. To NATO he renewed the American security guarantee, reporting on his plans to send 8,000 more troops to bolster the alliance's conventional defense. He also sought to allay Western Europe's fears of having its interests neglected as the Soviet-American strategic arms talks begin turning to weapons based in, and trained on, Europe itself. Given Europe's economic and political dependency on the United States, there is nothing any President could do to set Europe entirely at its ease. But, we judge, Mr. Carter did about what could be done. With an energy program and with a care-

fully negotiated and explained SALT agreement, he might do more.

The President concentrated his political presence in France, where parliamentary elections are coming in March. If the Socialists and Communists put back together the alliance they broke last September, a Communist party could come to power in a major European country for the first time in three decades. At the urging of French President Valéry Giscard d'Estaing, Mr. Carter made a calculated and conspicuous intervention. He campaigned, on the symbolic level condoned by French tradition, for an obviously delighted President Giscard d'Estaing. And he met with the Socialist leader and warned him—and made the warning public—to stay at arm's length from the Communists. The Carter foray suggested more the activism and alarm that marked Henry Kissinger's approach to "Eurocommunism" than the rather relaxed pose the administration had struck earlier. The only judgment on it that means anything is the one the French electorate will pronounce in March.

So much of diplomacy is the manipulation of symbols, shifting psychological weights, transmitting confidence. It's easy to yawn at, difficult to measure and costly to ignore. The President's hour in Aswan aside, this was the level at which most of his trip took place. The work to which he returns is harder, but not necessarily more important.

THE WASHINGTON POST.



Carter's Verbal Stumbles

By Rowland Evans and Robert Novak

WASHINGTON—President Carter's embarrassing verbal stumbles in the Middle East have been a source of embarrassment to the White House. The President's speech to the Israeli Knesset last week, in which he said, "There has to be a homeland for the Palestinian refugees who have suffered for many, many years," was a case in point.

In his early "homeland" formulation—delivered without forethought in Clinton, Mass., last March 21—Mr. Carter spoke feelingly: "There has to be a homeland provided for the Palestinian refugees who have suffered for many, many years." No mention there of Palestinians as wards of Israel.

The answer helps explain presidential contortions that switched the President's foreign trip to Egypt at mid-course and generates worry about the future. This was Lipshutz's reply: Jimmy Carter is contemptuous of Richard Nixon's careful formulations and insists that his own free-wheeling talk works better.

The President really means it when he says he wants "an open administration," Lipshutz told his lunchtime guests. He's going to continue that way; Nixon never said a word that wasn't weighed and tested; there was no such thing as spontaneity in the formulations of his foreign policy; Jimmy is different; he speaks freely and he speaks his mind.

Even if "spontaneity" and the drive to be different from Nixon—not sheer clumsiness—truly explain the President's verbal pratfalls, that does not mitigate the consternation his repeated mistakes have caused in Mideast capitals. His year-end television interview (Dec. 28, on the eve of his world trip, was the most recent case in point).

What was so "embarrassing" to President Sadat was not Mr. Carter's often-stated opposition to an independent Palestinian state. It was the thorny offshoot of a new thought: These stateless Palestinian residents under Israeli military control might decide to be... Israeli citizens.

To achieve for the "Knesset" (the Israeli parliament).

Such a thought in the real world of Mideast politics was appalling to Sadat and Arab leaders everywhere, revealing presidential misperception of reality never envisioned before.

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Solid Answer

Likewise, when asked at his April 8 press conference, just after Sadat's visit here, if there should be a "Jordanian control" of the Palestinian homeland, Mr. Carter jockeyed: "That's a question that I wouldn't want to answer for President Sadat. I will let him make his own statements publicly and I don't intend to repeat what he tells me privately."

That had the ring of a good, solid answer. By July 12, however, Mr. Carter seemed to be feeling pressure from Israel. Asked again about the "homeland," he said his "preference" was for an "entity" that "should be tied in with Jordan and not be independent."

Besides fumbling the "homeland" question on several occasions, Mr. Carter has shown singular lack of follow-through on the question of Israeli settlements in occupied Arab territory. Shortly after Israel Prime Minister Menachem Begin's trip here in July, the President said he had "let (Begin) know very strongly" that any new settlements would cause the U.S. "deep concern."

But a bit later, on Aug. 5, after Begin continued to approve new settlements and legalize old ones, Mr. Carter told reporters: "I think what he did was in consonance with the desires of the Israeli people."

That introduced a new factor in the settlements equation which was meant to Israel's hungry for a show of

American sympathy, but it was an unexpected blow to the Arabs. There has been no presidential response yet to the Israeli decision last week to send new settlers to the occupied Egyptian Sinai.

Considering the ups and downs of Mr. Carter's Mideast verbalisms, that should cause no surprise.

In sum, Mr. Carter's loose lip on issues of life and death to Jews and Arabs of the Mideast has caused anguish to many parties, including some of the President's most stalwart American supporters. So far, there has been no mortal damage to his overall drive for a peaceful settlement, which he has pursued with more intensity than his predecessors in the White House.

What is needed now is less lip-shooting and less effort to contrast Jimmy Carter, with Richard Nixon. That is why, when he gave the results of his 45-minute talk with Sadat last Wednesday to resolve his self-created emergency, his decision to read a rare written statement brought sighs of relief. In at least this one case, the ambiguity necessary for both sides was careful and intentional. After all the amateurish impromptu diplomacy, it could be a sign of creeping professionalism.

Amnesty International's Big Error

By William F. Buckley Jr.

NEW YORK—An announcement by Amnesty International that it would henceforth devote its resources to a campaign against capital punishment is received by some of the organization's advisers and supporters with sadness. We are sad at the simplicity of the move, and at the inevitable secularization of the Amnesty movement.

The Amnesty International idea began simply, and the organization's growth and its support from liberals and conservatives reflected a general consensus among civilized people that dissenters who are not guilty of violent crimes should not be tortured, imprisoned or killed. One would think that such a program would be quite enough to exhaust a full budget of any man's compassion for his fellow man.

Men and women who have worked for Amnesty include the most idealistic in this world, who protest inhumanity whether from the left or from the right. Amnesty's reputation for tenderness and compassion arises in part because it is a fact of life that full-time bleeding hearts tend to notice degradations from the right while ignoring degradations from the left—it is a congenital stigmatism. But it is also a matter of the availability of information.

Prestige, Prize

This is Monday. How many people were tortured, imprisoned, or killed Sunday in mainland China? Not even the most sophisticated Peeping Tom satellite can give us the answer to the question, let alone the brave souls of Amnesty International. But the entire board of directors of Amnesty International can travel to Argentina tomorrow, or to Chile, or the Philippines, look in the Yellow Pages under "Disarm, Organized," and start assembling their information. Notwithstanding, Amnesty has acquired prestige and, of course, very recently was awarded the Nobel Prize. Those of us who have, with whatever reservations, encouraged Amnesty, are now dismayed by the news. Amnesty has come out against capital punishment.

Now there are perfectly respect-

Sen. Baker's Key Role On Panama Canal Pact

By James Reston

WASHINGTON—The Republican leader of the Senate, Howard Baker Jr. of Tennessee, is facing his first major test on the Panama Canal treaty, and so far he has handled it with admirable care and skill.

The stakes are high. Even Sen. Robert Byrd of West Virginia, the majority leader, says: "If Baker comes out against the treaty it's dead." But if Baker came out for it enthusiastically, he would certainly alienate the Reagan wing of his party, and therefore weaken his chances for the Republican presidential nomination in 1980. This is his dilemma.

Watching a rising politician trying to balance his personal ambitions with his national responsibilities is one of the best shows in Washington, and Baker is demonstrating how to do both.

First, he played for time. He joined with Byrd in warning the administration not to risk an early vote on the treaty, as some officials were inclined to do last autumn. Second, he talked personally and at length to every Republican senator who had strong views on the treaty, pro or con. And then, during the year-end congressional recess, he went to Panama.

Various Aspects

After getting a thorough briefing there on the political, military and commercial aspects of the treaty from both sides, he talked for hours with the Panamanian strong man, Gen. Omar Torrijos, and told him bluntly that the treaty would not be ratified by the necessary two-thirds of the Senate without modifications or reservations.

This was not exactly what the administration had hoped for. Republican leaders talking about treaty "reservations" bring up trifling memories in this town of Sen. Henry Cabot Lodge Jr. and "the little band of willful men" who defeated the League of Nations treaty and broke President Woodrow Wilson's heart, but this is probably a bad analogy.

In fact, Baker apparently made an impression on Torrijos, who had been insisting that there could be no changes in the treaty he signed with President Carter, but nevertheless indicated after seeing Baker that some "clarifications" and even "reservations" were possible.

For example, one of the "guided" Panamanian papers ran an editorial after the Baker-Torrijos conversation under the headline: "I Am Not Dogmatic, Gentlemen of the Senate," emphasizing Torrijos's flexibility and adding that some U.S. senators had "reasonable objections" to the precise wording of the Panamanian treaty, as signed.

This was not regarded by Baker or the State Department as an invitation to the Senate to make major changes in the signed treaty, but it clearly put the senator from Tennessee in a much stronger position to help lead the debate when the treaty comes to the floor of the Senate. Byrd estimates that the decision will

he made perhaps sometime in March. Two points in the treaty as signed by Carter and Torrijos trouble many senators, including those who are undecided about how to vote:

• First, what seems to many of them an ambiguity about whether the United States would retain a "preemptive" right to use military force to defend the canal in an emergency after it is turned over to the Panamanians at the end of this century.

• And second, whether U.S. warships would have priority in passing through the canal in any emergency after the year 2000.

Torrijos agreed to both points in a communiqué signed by himself and Carter last Oct. 14, but this was an executive agreement between two heads of government, both of whom would obviously be gone long before the end of the century. Accordingly, Baker insisted that the Oct. 14 understanding be included in the treaty, at least as a binding memorandum of understanding or interpretation, before the treaty went to the floor of the Senate.

Baker came away from Panama with the belief that Torrijos agreed to this "reservation," but he has been very careful, despite his prudent conversations in Washington and Panama, not to commit himself, despite severe pressure from both sides, to vote for or against the treaty.

The guess here is that he will in the end vote for the treaty, with the amendments he has suggested to Torrijos, but he is not saying so. He is the key vote in this debate as much as Henry Cabot Lodge Jr. was the decisive voice in the League of Nations debate. But he is waiting and watching and wondering whether it is in the national interest, or the Republican party's interest, or even in his own personal interest to make the Panama treaty a party issue.

In the end, Baker will probably go with former President Ford and with Henry Kissinger, who support the treaty and view the opposition of the Reagan conservatives, who usually dominate Republican presidential nominating conventions, but at this point, he is tiptoeing through a political mine field.

For one thing, he has to remember that former presidents of the United States have the privilege of speaking on the Senate floor, and that, in the final debates on the Panama treaty, Gerald Ford could ask for time to stand in the well of the Senate and argue that it is in the national interest to ratify the treaty.

Howard Baker of Tennessee is a serious man who knows all the cards in the political deck. All he has to do now is shuffle them and decide how to play his hand. It will not be easy, but he is the most prominent of the new generation of Republican presidential hopefuls, and how he deals with this question of Panama may very well influence what happens not only to the treaty, but what happens to him at the Republican presidential nominating convention of 1980.

Seoul's Modified Limited Hangout

For a while last fall, it seemed as if there was something wrong with South Korea's political hearing. Despite its reliance on U.S. aid, Seoul refused to cooperate with investigations of Korean influence-buying in Washington. With mounting exasperation, Congress passed a resolution of disapproval, 407-0. It even came close, surprisingly, to voting an end to aid for Korea.

Now, not surprisingly, South Korea has begun to cooperate. It is working out an agreement, with the Department of Justice, by which Tongsun Park, a leading figure in the scandal, would return to the United States to provide certain limited testimony. That may satisfy the Department of Justice, but it should not satisfy Congress. Scores of present and former members are under suspicion. Its general reputation is on the line. For Congress to agree to less than full cooperation from Korea would be to acquiesce in a kind of cover-up, in what not so long ago was dubbed a modified limited hangout.

The Justice Department may regard the agreement with Seoul, now being negotiated, as sufficient for its purposes—to secure Park's testimony in specific criminal trials. Leon Jaworski, the former Watergate special prosecutor who is now special counsel to the House Ethics Committee, may or may not be right to denounce that agreement as an "air-front to Congress." But he is surely right to insist, independently, on the fullest cooperation from South Korea and on uninhibited

ted testimony from Park. His vigorous stance is a welcome contrast to the committee's earlier dawdling.

Congress's responsibilities here transcend those of the Justice Department. The department prosecutes crimes but only Congress can deal with the host of lesser, yet no less troubling, violations of ethics, taste and even common sense in the South Korean affair. It may not be illegal for congressmen to accept lavish trips or expensive gifts—but it does not smell good, and a body concerned about its aroma after Watergate does well to investigate thoroughly.

There is another principle at stake. Congress finally appears willing, perhaps even able, to police itself effectively, a tendency that should not be frustrated by merely grudging cooperation from the country which, after all, started the scandal.

Having evidently agreed to the Justice Department's narrower terms, will South Korea now turn a deaf ear to Jaworski's call for full cooperation? Could that call not be interpreted in Seoul as extreme, and from someone who is merely an adviser to Congress? Indeed it could—but there is a sure remedy. If they are sincerely ardent about the investigation, let the ethics committee, the House leadership and Speaker O'Neill promptly speak out in support of Jaworski's position. Then Seoul should, finally, get the message.

THE NEW YORK TIMES.

The Portent of Pisa

Two items of cheer for the New Year: The Leaning Tower of Pisa did not lean any further in 1977, and Venice has apparently stopped sinking. Pisa's perilously inclined bell tower will not crash to the ground—a collapse the world has been waiting for since the 13th century—and Venice will not disappear beneath the sea. At least not in 1978. Rejoice at a micrometer-less movement toward disaster, a miraculous escape from a watery death.

Fate, rather than man, has been the instrument of salvation. The city fathers of Pisa, measuring and watching, held an international competition for ways to shore up the movement, a project that has proceeded at about the same rate as the tower's tilting. An international rescue committee sounded the Venetian alarm—proposed

solutions have ranged from an underwater rubber dam at the mouth of the lagoon to a ban on development in the neighboring Mestre.

Pisa and Venice have in recent years been the arenas of a cultural spectator sport: How long can the doomed works of art survive? Countless visitors have been fascinated by the defiance of gravity, the slow slide into the sea. Pisa's creaking tower, like some mad baker's confection, is now 17 feet out of plumb. Flood waters still sweep across the Piazzetta with Whistlerian beauty and intimations of doom. But the land is rising in Venice and the angle is fixed in Pisa. Triumph is measured in millimeters. Could these be portents for 1978?

THE NEW YORK TIMES.

International Opinion

Supporting the Dollar

That the United States (by its moves to support the dollar) has now acknowledged a joint responsibility for the behavior of the markets is a welcome development, but it is too early to say whether and where the dollar rate will settle. The fundamental problem is the large U.S. payments deficit, which is not expected to fall much this year and which is largely due to very heavy imports of oil. This is due to the reluctance of Congress to accept the President's pro-

posals for saving energy, which in turn throws some doubt on his other proposals for cutting taxation. It is in the general interest that the United States should seek to maintain its present rate of economic growth, but the weakness of the dollar has made it more difficult for other countries to refloat. Unless Congress is willing to act soon on oil imports, the choice may lie between continuing weakness, a lower rate of U.S. growth, and a hardening of the existing trend towards protectionism.

—From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

January 9, 1903

WASHINGTON—The announcement that Mr. Thompson, the internal revenue collector of Alabama, who is here for a conference with the President, had been discovered to be a victim of embezzlement, has created a lively sensation both at the White House and in the Capitol. Several of his companions and the men who had come to Washington with him, were with President Roosevelt this morning, and it is feared that the President may have been indirectly exposed to contagion.

Fifty Years Ago

January 9, 1928

CONSTANTINOPLE—There has recently been much discussion in the Turkish press as to the advisability of adopting the Roman alphabet in writing and printing the Turkish language. The majority of the writers favor the change, and suggest that, in any case, the Roman letters should be used in books employed in elementary schools as well as for business purposes. Adoption of the Roman alphabet, and it will be adopted in some form or other, will facilitate modernization.

Letters

'Imported' Doctors

The editorial "Hills of Foreign-Trained Doctors" assumes that American medical schools are the models which other nations should follow. If the did, then, no doubt, one would not be talking about "foreign" doctors (with its connotation of inferior, or sub-normal); one would be talking about "imported" doctors, with the overtones of Rolls-Royce quality.

There is much with which a "foreign-trained" doctor, like myself, would disagree in the tone of the editorial. One gets the impression that a sinister group of very wealthy parents in New York, California, and New Jersey are making puffy of American congressmen and forcing them to pass special legislation so that the children of these wealthy minorities may find a place in medical school and, by implication, that should a place be found for them, magisterial premiums will rise. Indiscretion and innuendo of this kind is almost impossible to answer, especially in a short "letter to the editor."

I have taught American students in medical school. They work very hard, they generally become fine students (since it is hard here to win a place for medical study), and I am sure that they return to the United States to become fine doctors. But I do resent the slur that, in some way, we who teach in England are below the salt when it comes to educating doctors. Need one remind North Americans that long before there were colonies in that bit of God's country we

had a fully developed university system?

The greater part of the editorial is factually false. Tuition fees (about \$200 to \$300 a year for study) are much cheaper than in the United States. To live here is cheaper also; and, with 529 Laker flights, I am sure that it costs less to fly from Boston or New York to London than to Los Angeles. So the portion of the editorial which talks about "wealthy parents" sending sons abroad for "expensive" study is remiss and in error. I believe that tuition at one of our private medical schools in Washington, D.C., is \$12,500 per year, plus more for books and room and board.

The part about not needing more doctors is false also. From a regional newspaper from the United States, the Tacoma News Tribune (Nov. 13, 1977), Mr. John Bailey writes "Doctor Shortage: Residency Program Sought," and tells us how short is Pierce County of doctors. If this holds true, then I am sure that one could say the same for most middle-sized American states and counties.

I think, therefore, that the editorial revealed an insularity of mind which shuns those of us who are doctors outside of the United States, and also revealed a prejudice against changes in American medical preparation. Doctors enjoy American competition; we dislike, however, American lying or rudeness. Could we have better next time?

DR. AR. REEL
London.

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Sounds Warnings to Regime in Italy

U.S. Fears New Andreotti-Communist Deal

By Richard Burt

WASHINGTON, Jan. 8 (NYT).—Officials in the Carter administration are expressing growing concern over what they believe is the likelihood that Italy's ruling Christian Democratic party may soon bow to Communist pressure for a larger voice in government.

The officials are voicing fears that a new Communist drive to

create an all-party, emergency government to deal with Italy's increasing political violence and worsening economic situation could result this month in a new governmental arrangement that would bring the Communists a step closer to sharing power.

As described by the officials, this could be an important turning point in Italian politics and would be a major challenge to

the administration's low-profile approach toward West European Communist parties.

The administration has expressed misgivings to top Italian officials over what it sees as their increasing willingness to entertain closer links with the Communists. However, several officials indicated that these messages were unlikely to have much effect on the decisions of Premier Giulio Andreotti's minority government.

Some administration officials are advocating stronger action, including a public warning to Italy on the possible consequences of giving the Communist party a greater role.

This suggestion has set off a debate within the administration, with opponents arguing that such an action would mark a return to the policies of former Secretary of State Henry Kissinger.

As a sign of its concern, administration officials said that the U.S. ambassador in Rome, Richard Gardner, has been recalled for consultations.

Old Arguments

In pressing Mr. Andreotti to form an emergency government, the Communists have used arguments that were used after the national elections in June, 1976, in which they were only narrowly beaten by the Christian Democrats.

At that time, the Communists said that Italy's pressing economic and social problems demanded sweeping changes that could be enacted only by a coalition government.

The Christian Democrats, with U.S. support, resisted those arguments and, following intensive negotiations, came up with an agreement last summer in which the Communists and other parties agreed to keep the minority Christian Democratic government in power by abstaining on controversial legislation.

Nominal Victory

Cuba intervened with thousands of troops to aid the Popular Movement. An alarmed Congress forced an end to covert U.S. material assistance to the two other movements, and the South Africans withdrew, leaving the Cuban and Popular Movement forces nominally victorious and in control of the major Angolan towns.

Since then the National Front, which has limited regional and ethnic support, has been relatively ineffective and confined to a small base area in the north, near the Zaire border.

But the National Union, led by the ideologically moderate Jonas Savimbi, has mounted what foreign observers say is an increasingly successful guerrilla war that has kept the Cuban forces bogged down in Angola.

Cuba May Find Angola War Tenacious Burden, U.S. Says

By Charles Mohr

WASHINGTON, Jan. 8 (NYT).—U.S. government specialists on Africa have concluded that the growing Cuban presence in Angola is probably caused in large part by Cuba's inability to extricate itself from a vicious guerrilla war that may be unwinnable.

The recently strengthened Cuban expeditionary force in the former Portuguese territory has become a major obstacle to normalization of relations between the government of President Fidel Castro in Havana and the Carter administration, which is reluctant to make further moves toward diplomatic ties until Mr. Castro has ended, or at least drastically reduced, his intervention in Africa.

That intervention includes a modest number of Cuban advisers assisting the Ethiopian Army against insurgents in Eritrea and Somali forces in the eastern desert. Although Mr. Castro may be disinclined to do so, he could probably cut off that involvement if he chose.

Vietnam Parallel

But, according to a number of informed U.S. officials, in Angola is a situation that seems to have parallels to the U.S. experience in Vietnam—Cuba appears to be propping up a militarily incompetent force that might not survive without such help and there seems to be no easy way out.

Angola was plunged into civil war in 1975 when, as Portuguese

forces withdrew, three African nationalist factions began battling for power. The Marxist Popular Movement for the Liberation of Angola, led by Agostinho Neto, won control of the capital, Luanda. Two other groups, the National Union for the Total Independence of Angola and the National Front for the Liberation of Angola, counterattacked in what was essentially a conventional conflict.

With the aid of South African white forces, the National Union overran much of the large country and the National Front drove from its northern base to positions near Luanda.

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Cambodia and Vietnam Seen At Pause in Border Warfare

By Henry Kamm

BANGKOK, Jan. 8 (NYT).—The armed conflict between Vietnam and Cambodia appears to have come to a pause while verbal warfare continues unabated.

According to the best information available—in a situation in which neither side allows any outsider to see for himself—the Vietnamese Army has occupied the Cambodian enclave of southern Vietnam to a line stopping short of the provincial capital of Svay Rieng. It is said to be consolidating its hold on the tip of the so-called "parrot's beak" and Cambodia has charged that Vietnam is installing "puppet" administrations in a number of administrative districts that it has conquered.

Professional observers here are circumspect in their accounts of the military situation because they depend on only two sources of information. One is the Phnom

Penh and Hanoi government radio stations, whose broadcasts are stronger on propaganda than facts. The other is satellite photography, which is not the best means of distinguishing friend from foe in ground military action.

Radio Reports

UPI reported Bangkok diplomatic sources as saying today that Vietnamese troops have virtually destroyed Cambodia's 28,000-man eastern army and taken hundreds of prisoners, including Chinese advisers. The sources said both sides were moving fresh forces into the 145-mile battle-front and that fighting which died down Thursday and Friday was likely to flare again.

Reuters reported from Peking that the Cambodian Embassy repeated a statement broadcast by Phnom Penh yesterday that the bodies of two fair-haired Vietnamese soldiers killed among Vietnamese soldiers killed when their tanks were destroyed near the rubber plantation town of Kien. It did not specify the nationality of the dead Europeans, but said Cambodian forces had monitored conversations in Russian over the Vietnamese military radio.

The accounts of the military action, which cannot be authenticated from sources close to the events, suggest that Vietnam invaded the "parrot's beak" early last month. The invaders are said to have advanced into Cambodia in strength, supporting their infantry with heavy artillery, armor and captured U.S. fighter-bombers.

The battle is said to have been heavy, but the Vietnamese advance relentless. Vietnam's armed forces surpass Cambodia's in all essential factors: manpower, equipment, battle experience and organizational skill. Observers assume that the invaders halted their advance by their own volition and speculate that this de-escalation occurred at a time when Vietnam had fully demonstrated to its foe its ability to reach whatever point in Cambodia it wished.

In addition to the "parrot's beak" operation, lesser fighting is said to be taking place along the border to the north. This follows months of border skirmishing south of the beak, from the Vietnamese towns of Chau Doc to Hanoi on the Gulf of Siam.

Refugee Reports

To the best of knowledge, sustained by reports from Vietnamese refugees from the battle areas, the initiative until the invasion had been with the Cambodians. Cambodian incursions into Vietnam reached their high point in November, with a stable raid into the Vietnamese province of Tay Ninh, north of the beak.

The raid was said to have produced high Vietnamese casualties, and the raiders were reported to have destroyed a number of recently constructed villages in a so-called "new economic zone," to which Hanoi is banishing large numbers of citizens from southern Vietnam's overpopulated cities.

News Photographer Hunted As Basque Bomber, Gunman

MADRID, Jan. 8 (UPI).—Spanish police, fighting a new outbreak of violence in the Basque region, today identified a newspaper photographer as a member of a separatist guerrilla commando.

Authorities said photographer Jose Zaldia and three other men fought a shoot-out with police in Pamplona. The gunfight erupted when policemen surprised the guerrillas planting a bomb in a trash can near the police station.

The Pamplona attack was one of three yesterday, apparently mounted by the separatist group ETA (Basque Homeland and Liberty). Two policemen were injured and one ETA suspect was shot and captured.

Police continued to man roadblocks today in a major hunt for the photographer and other suspects.

Offices Searched

A police communiqué said "a photographer of the newspaper Egin, Jose Zaldia, has been identified as a member of the [Pamplona] commando. His current whereabouts is unknown and an arrest order has been put out across the country."

Investigators searched the Pam-



MEDICAL TWIST—Veterinary surgeons at Cornell University, Ithaca, N.Y., operate on a 5-foot-long blood python named Randit to clear a blocked intestinal passage.

Assad Explains Opposition to Sadat on Mideast

(Continued from Page 1)

Israel. Now that Sadat has refused an Israeli offer of complete withdrawal from Sinai within five years, and that he is holding out for a real Palestinian state, as opposed to home rule, said the complete evacuation of Israeli troops from the West Bank, why don't you close ranks with Egypt? Sadat, incidentally, has categorically and repeatedly rejected the idea of an Israeli-Egyptian agreement as a substitute for an overall settlement.

A—All that floats on the surface now is pure theater with the aim of hiding the realities and misleading Arab masses. What is presently going on is something that will lead to a Sinai agreement coupled with a cosmetic formula on the West Bank designed to liquidate the Palestinian question.

Q—What has Sadat given away that he cannot retrieve? The war option?

A—He has given up both the war and the peace options.

Q—In other words, he has opted for no-war-no-peace?

A—The situation in the Middle East does not depend only on what Sadat says or does. I fear that maybe you are influenced by what Sadat reiterates frequently when he says Egypt is the key to war and peace in the area. Of course we are proud of Egypt and its role in the past. However, Sadat's statement that the ruler of Egypt has in his hands the power of decision for war and peace lacks convincing evidence. Otherwise we would have had to avoid any argument on Sadat's behavior and accept what he has done without any discussion. You should not forget that Syria is the cradle of Arab nationalism. We have never capitulated, from the days of the crusades to modern Zionist expansionism.

Q—Sadat says we must abandon the sterile policy of all-or-nothing, that there must be give-and-take in the negotiations. Isn't that the essence of common sense, reasonable policies in an age when small conflicts can quickly escalate into major confrontation and conflagrations?

A—Tell me, when he says this is he addressing himself to the Arabs or to the Israelis?

Q—I think to both sides.

A—I feel that when he addresses such statements to Arabs he is abusing them and he is condemning the whole Arab struggle of the last 30 years. The question now is one of rights or no rights and one cannot surrender what is right. Nor can Sadat accept what I know he himself believes is not right.

Q—Sadat, for example, recognized that Israel, like its Arab neighbors, has legitimate security concerns. Do you agree?

A—Judging from tangible evidence, such as the expansion of Israeli settlements in the occupied territories, we conclude that Israel has expansionist concerns. And the proof is what Israel is putting forward and demanding under the heading of security, the kind of demands that are not made by any other country in the world, regardless of its size.

Q—If you are fearful of Egypt going it alone and splitting the confrontation states, why don't you and Jordan join Egypt in the current negotiations, instead of distancing yourself from Egypt as you have been doing?

A—Because we have opted for the road to peace, not war.

Q—Sadat's route will lead to war?

A—It does not lead to peace.

Q—Two negotiating committees are getting under way at the ministerial level in both Cairo and Jerusalem. These are new facts. Where do you see this process going and why did your foreign minister reject in advance anything that comes out of these negotiations?

A—One cannot construct a strong building on a weak foundation. Wrong beginnings lead to wrong conclusions. Therefore one cannot expect anything useful or beneficial to a just peace from such committees or any

similar formula which may be arranged through this process.

Q—Sadat says he hopes to produce the paper work that will enable the Geneva conference to get right to the heart of the matter—the implementation of Security Council Resolutions 242 and 338 and the establishment of a Palestinian state. Why don't you at least give him the benefit of the doubt?

A—Sadat himself knows full well that what he's been doing is to close the door to a Geneva conference because it cannot be used as a cover for separate deals which are now being concluded behind the scenes in the dark.

Q—What role do you see Jordan playing on the road to an overall settlement?

A—Jordan, as one of the confrontation states, has a role in the context of an overall comprehensive settlement. Peace cannot be achieved without Arab unanimity. But I don't see a role for Jordan to play under the shadow of separate deals.

Q—For years you and Sadat have wanted a Palestinian solution in the context of a Palestinian state on the West Bank and Gaza, closely linked to Jordan. Is that still your position?

A—I said in the past and repeat now we will accept anything agreed upon between the Palestinians and the Jordanians.

Q—With the PLO hardening its position and making toward George Habash's PFLP they are not bringing the prospects of a Palestinian state any nearer. If the PLO wants to enter the negotiating process, shouldn't it be rethinking its position?

A—Faced with current developments, it seems to me the PLO is left with but a single choice: namely to consolidate national Palestinian unity and to reinforce its struggle to achieve an independent state.

Q—An armed struggle?

A—I don't mean that struggle is by force of arms only. Struggle for national causes throughout history has never been by armed force alone but has taken on various forms—military, political, economic and otherwise. In any event, I'm not trying to determine for the committee how they should conduct their struggle. This is the PLO's responsibility.

Q—Begin says he will negotiate anything except Israel's destruction, and since he maintains that the PLO seeks Israel's annihilation, he won't deal with the organization. Do you believe the PLO stands for Israel's destruction?

A—Let him address himself to the PLO. Let him say to the PLO's executive committee, "I want to negotiate with you but not on the destruction of Israel" and let him hear their answer.

Q—Will Begin then be favorably impressed?

A—This is the business of the PLO and Israel, not mine.

Q—After Sinai if you told me Palestinian guerrillas would be allowed to launch raids into Israel from Syrian territory but none took place. This authorization has been repeated by some

of your ministers recently. What is your position?

A—The same permission stands. But we have to remember that the Israeli military measures facing the Syrian front have always been very vigilant so perhaps the reason why raids have not taken place is technical.

Q—How many Palestinians do you believe a West Bank-Gaza state could absorb in addition to the 1.1 million already living there?

A—Maybe not a large number but that will not be necessary anyway because under UN resolutions refugees should have the choice of compensation or returning to their dwellings from which they were evicted in 1948.

Q—If the Arab confrontation states do not agree with Begin's 26-point peace plan, don't you think it's now incumbent upon Israel's neighbors to come up with their own peace plan?

A—We have come up with our peace plan since the 1973 war. We said real peace means withdrawal from territories occupied in 1967, recognition of Palestinian rights and the end of the state of war. Nothing could be clearer. And we were ready to go to Geneva to implement this when Sadat went off on a tangent.

Q—The Israelis have left the door open to self-determination on the West Bank in the future and they have not rejected withdrawal in principle after a fixed period of time. Isn't this worth exploring?

A—These are statements that I am not aware of but what is known to us and what is certain is that Israel has no intention of withdrawing from all the territories taken over in '67 and insists on staying in the West Bank and Gaza. It even says that these territories are part of greater Israel while pretending to leave the question of final sovereignty for the future. This was stressed by the Israeli authorities themselves during recent developments. And what's known of the Begin plan confirms this. So I think you're misinformed.

Q—Opponents, adversaries, enemies are talking to each other all over the world. Why shouldn't Arabs and Israelis?

A—After the 1973 war Arabs accepted and agreed to negotiate on the basis of UN resolutions and under the UN umbrella. So we have not refused to talk. It was in this context that the Geneva conference was conceived under the co-chairmanship of the two superpowers. However, what's under way now is very far from this concept and also far removed from international legitimacy and UN resolutions.

Q—What exactly are the Arabs generally and Syria in particular prepared to do about peace today?

A—We have nothing more to do now than what we have already done since 1973, that still stands. It's my view that interaction and reaction are now taking place in the region and with time these will shake down into their final shape. The movement toward peace is now at a stand-



Hafez al-Assad

still. This may continue for a time which is difficult to measure now. It's also difficult to determine in what way this movement will take place in the future. However, I want to reemphasize that peace remains our goal and we shall continue to strive for it as much as we can—but it must be a just one in the full sense of the word.

Q—Then why did you join the Rejectionist Front countries at the recent Tripoli summit in Libya?

A—What took place was definitely not a Rejectionist Front. It was the front of Arab steadfastness. We decided not to retreat in the face of the Zionist offensive and to persevere because the moves now taking place in the region embody a conspiracy against the Arab nation with the objective of imposing its capitulation. And we will not allow this conspiracy to pass. We will defeat it. In the first article of our statement at the end of the Tripoli summit, we said that Sadat had destroyed peace efforts. We didn't say we were against peace. Therefore there are no rejectionist states.

Q—Your information minister told me last night that he was convinced Washington had advanced knowledge of Sadat's initiative. I tried to dissuade him of this notion. He also concluded that by backing Sadat, the U.S. must have realized the repercussions in the region and therefore the U.S. must be in favor of a no-war-no-peace situation. Does this mean that you feel the U.S. role of "honest intermediary," which you praised when I last saw you in July, has been overtaken by events?

A—Well, U.S. backing of Sadat's moves does not serve the cause of peace. And it appears that the U.S. is now confining its own moves and role to the framework of Sadat's initiative. That's obvious to any observer and not at all helpful if the aim is to bring about a comprehensive settlement.

Q—What would be the point of another anti-Sadat summit so soon after Tripoli as proposed by Algeria?

A—We're now in the course of working for the consolidation of the national Arab steadfastness front which we formed at Tripoli. The exact details of what will be discussed at the new summit are now being considered in bilateral meetings, such as the ones President Boumedienne of Algeria conducted in Baghdad and Damascus this week.

Q—Behind the PLO, say Western critics, stand such radical states as Syria, Iraq, Libya and Southern Yemen and behind these states stands the Soviet Union. This is the line of subversion, they argue, that Moscow hopes to establish close to the oil jugular of West Europe, the U.S. and Japan. Do you feel comfortable in such an alliance?

A—The Soviet Union is merely standing on our side for our struggle to liberate the occupied territories and to ensure Palestinian rights. No more, no less. The assessment of this stand by all these concerned with peace in the region, whether they are in Europe or the U.S., should be a positive one.

Good Memory, Some Booze Help Nonflier Land Dead Pilot's Plane

BURLINGTON, Ontario, Jan. 6 (UPI).—Donald Pratt relied last week on a bottle of whiskey and six hours of flying lessons taken 32 years ago to safely land a small plane in which the pilot had died of a heart attack.

Mr. Pratt, a 49-year-old contractor, was one of two passengers on a Cessna-182 bound for North Ontario Wednesday when pilot Peter Kirwan, 57, slumped over into Mr. Pratt's lap. "He died very quickly," Mr. Pratt said Friday.

"When it happened, I just thought: 'We're dead.' Then I said, 'If I don't get her out of here, we are going to be dead. I'm big enough, old enough and ugly enough; I should know how to do something.'"

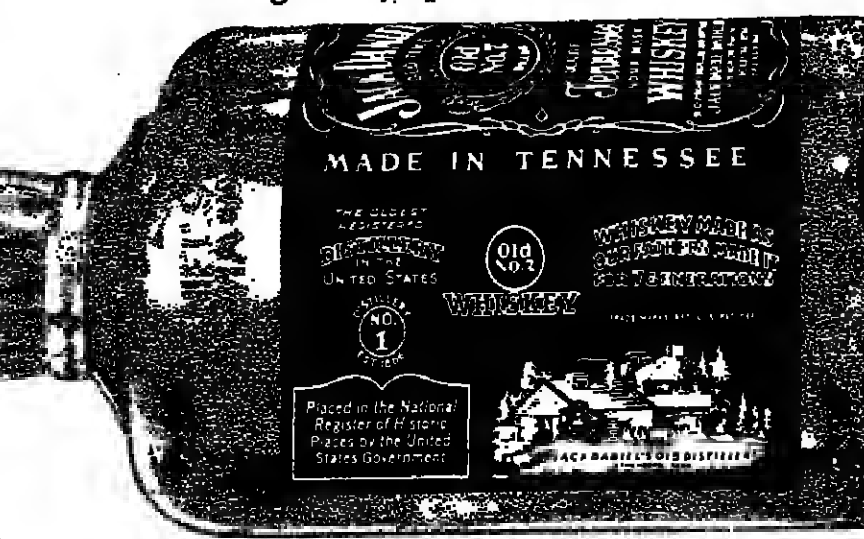
Mr. Pratt took the controls with the plane in thick clouds at 7,300 feet. After briefly losing control several times, he contacted air-traffic controllers at Toronto International Airport, who cleared the skies and began giving him instructions. Minutes later, Mr. Pratt guided the plane to a bumpy but safe landing. An ambulance took Mr. Kirwan to a hospital, where he was pronounced dead.

Mr. Pratt attributed the safe landing to his six hours of flying lessons in 1946 and "about four ounces of straight, raw whiskey" from a bottle he had taken on the flight. "A bottle of booze can help once in a while," he said.

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John Gordon, 77, in Michigan, A Former President of GM

ROYAL OAK, Mich., Jan. 8 (AP).—John F. Gordon, 77, who worked his way from laboratory technician to president of General Motors, is dead.

Mr. Gordon, who retired in 1965, died Friday night in Beaumont Hospital here after a brief illness.

Mr. Gordon spent his entire industrial career with General Motors. During World War II, he worked at the Allison Aircraft Engine Division at Indianapolis, helping to design and develop liquid-cooled aircraft engines for fighter aircraft.

He designed engines for the Cadillac division and in 1946 was named Cadillac general manager and a vice-president of the corporation.

He later was vice-president in charge of the GM engineering staff and group executive in charge of the body and assembly divisions.

He was elected president and chief operating officer in 1958, a position he held until his retirement.

Sally Eilers

BEVERLY HILLS, Calif., Jan. 8 (UPI).—Sally Eilers, 69, a movie actress in the 1920s and 1930s, has died.

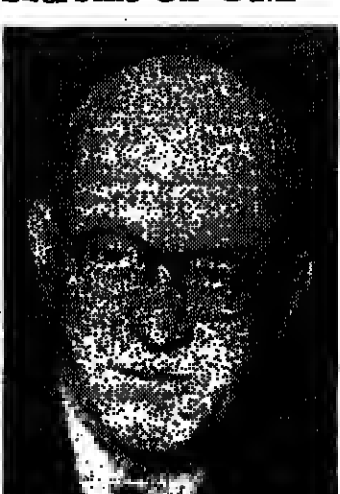
Miss Eilers had an apparent heart attack at the Motion Picture Country Home and Hospital, a home for the aged. She appeared in the original "State Fair," "Let Us Be Gay," "Hat Check Girl," "Remember Last Night" and "Bad Girl."

Dick Porter

SEDALIA, Mo., Jan. 8 (UPI).—Dick Porter, 46, lead singer of the Ink Spots, a popular music group formed in 1938, has died, apparently of a heart attack. The group was performing here during the weekend.

Alfred Paceard

ANNBOY, France, Jan. 8 (AP).—Alfred Paceard, 66, a bell found-



John Gordon

er who cast 57 copies of the Liberty Bell for the United States in 1950, died yesterday, his family announced.

Mr. Paceard, who attended the Versailles reception for President Carter Thursday night, had a heart attack in Paris on Friday.

Cesare Fragoni

ROME, Jan. 8 (AP).—Prof. Cesare Fragoni, 96, a physician whose patients included the inventor of wireless telegraphy, Guglielmo Marconi, and Fascist dictator Benito Mussolini, has died.

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Over-Counter Market

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Treasury Bills

Table with 4 columns: Date, Bid, Ask, Last, Change. Includes various Treasury Bill data.

NYSE Averages

Table with 4 columns: Index, High, Low, Last, Change. Includes various NYSE average data.

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(Continued on next page.)

marke

Sales (hds)	PE	High	Low	Last	Net Chg.
884	0	8½	4	7½	+ 3½
1347	8	7½	4½	6½	+ 1½
4879	9	44	31½	43½	+ 8½
5892	5	15½	11½	14½	+ 2½

34	+	2
174	+	15.5
274	+	17.8
474	+	67
744	+	10.8
844	+	57.5
944	+	48

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Euromarket

(Continued from Page 7)

The EIB is going to have a "big" year in 1978. On the one hand, it is expected to be a "big" year for the EIB as a whole, with a big increase in its capital and a big increase in its lending. On the other hand, it is expected to be a "big" year for the EIB as a whole, with a big increase in its capital and a big increase in its lending.

The view at UBS, which by now is being to criticism, is that the EIB is a "big" year for the EIB as a whole, with a big increase in its capital and a big increase in its lending.

The EIB's \$100 million of 10-year, 8-1/2-per-cent notes and 100 million of 15-year, 8-3/4-per-cent bonds are to be placed on Thursday.

The \$40-million, 10-year, 8-1/2-per-cent issue for the EIB is "putting a lot of pressure" on the EIB as a whole, with a big increase in its capital and a big increase in its lending.

Consolidated Trading Of AMEX Listings

Week Ended Jan. 4, 1978

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Consolidated Trading Of AMEX Listings

Week Ended Jan. 4, 1978

Consolidated Trading Of AMEX Listings

Week Ended Jan. 4, 1978

seem as an asset since there will be much less paper around to depress the quotation in the secondary market.

Bitter Comments

However, a \$50-million, five-year loan for Occidental Petroleum, carrying a coupon of 8 1/2 per cent, is also stirring bitter comments. The issue is seen as too big for a borrower rated single-A/triple-B by the U.S. rating agencies and the terms too unfavorable to the outstanding 9 3/4's of 1983, which are quoted at a mid-price of 103-1/2 for a yield of 8.85 per cent.

Kidder Peabody and Rye Eastman Dillon, who have traditionally managed Occidental's issues, reportedly advised the company to wait or, if it insisted on going ahead, to do a longer-term issue with a much higher coupon. The advice was rejected and a new syndicate has been put together under the direction of Dean Witter Reynolds, making its maiden entry as a lead manager.

European Yields

Week Ended Jan. 4

U.S. Dollars

International institutions, long term 8.28%

Industrial, long term 8.58%

Industrial, medium term 8.42%

Canadian dollar, medium term 8.80%

French franc, long term 11.15%

Unit of Account, long term 7.81%

Calculated by Luxembourg Stock Exchange

Market Turnover

Week Ended Jan. 6

Millions of U.S. Dollars

Total 1,129.3

Non-dollar 802.3

Equivalents 827.0

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High Low Last Chg

NEW YORK (UPI) — The following table

compiled from quotations supplied by the

National Association of Securities Dealers

Inc. shows the high, low and last

change for the previous day's trading.

The closing bid in 1977 with the high

change from the previous year's last bid.

AGS Fund 4.00 5.00 5.00 +.00

Accord 10.00 10.00 10.00 +.00

Advent 10.00 10.00 10.00 +.00

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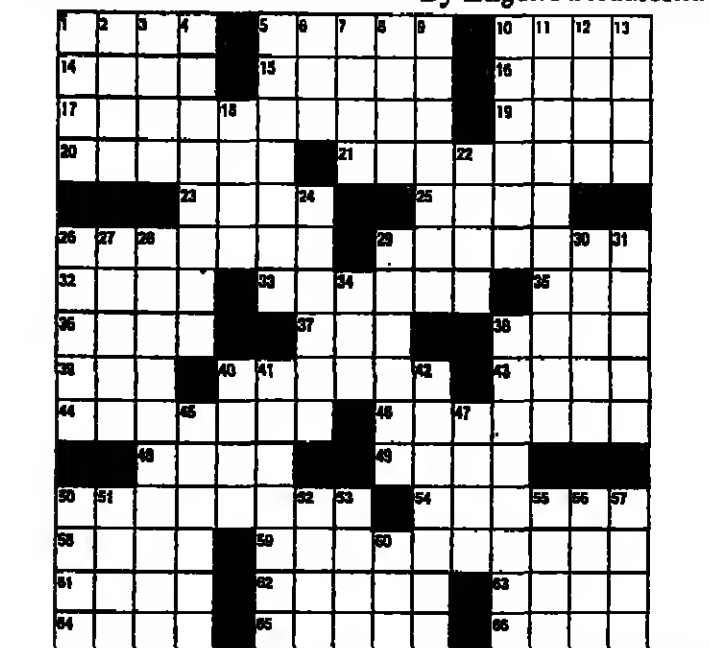
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CROSSWORD —By Eugene T. Maleska



ACROSS			44 Tools for boring	18 French animal
1 Informal farewell	46 Displays	23 White-tailed bird		
5 Kind of button	48 Osteotomously	24 Thai Aryans of		
10 Acronymic title	49 Foray	the central		
once held by	49 Glottal stop	Caucasus		
MacArthur	50 Humbly penitent	26 Blue glass		
14 Levi's	54 Samples	27 Sight on the		
Peacock Throne	58 Potpourri	Red Sea		
15 Gauthier's larist	59 Accordion's next	28 Buddy up with		
16 Espinosa rule	61 Heliocite	29 Scams		
17 Dikaroy tactic	63 English dynasty	30 Student of a sort		
19 Two prepositions	63 The shamrock is	31 Ogleps		
in one	its symbol	34 Time zone		
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21 Filipino, e.g.	for short	vehicle		
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32 Entangle	5 Frugal	50 Traffic marker		
33 Uganda pest	6 Loser to D.D.E.	51 Evergreen genus		
35 Signal to a	7 Western alliance	52 Solicit patronage		
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"More's the	9 Franchise	form		
"my!"	10 Tea-party treats	55 Cheon's scribe,		
37 Congress	11 Smuggled goods	famous for		
reading	12 Minutes of a	shorthand		
38 Deserve	meeting	56 Geraint's		
39 Rent	13 Place for a form	beloved		
40 Kind of bug	of polo	57 "All there"		
43 Topnotcher		60 Lunar leaper		

WEATHER

[illegible]

Mutual Funds

[illegible]

PEANUTS



B. I RESOLVE NEVER TO RUN
C. OFF WITH SHIRLEY AGAIN.

HOW SWEET.

LOOKS LIKE THIS IS FOR
KEEPS, SHIRL.



BLONDIE

MR. DITHERS, DAGWOOD WILL BE A LITTLE LATE THIS MORNING

HOW COME?

HE'S STILL UPSTAIRS-- HALF ASLEEP

WHEN I LEFT HIM HE WAS TRYING TO PUT HIS PANTS OVER HIS HEAD!

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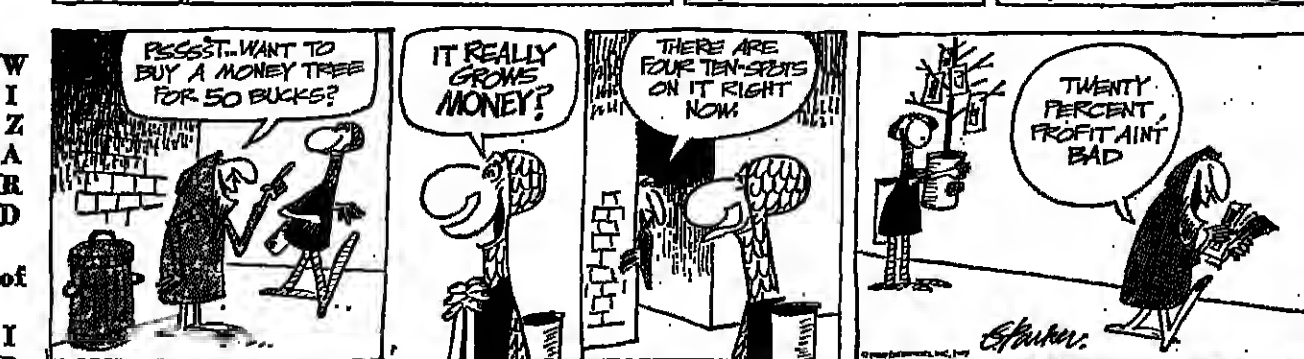


ANDY CAPP

PLEASE, PET, NOT TONIGHT, EH? - I'M NOT UP TO IT

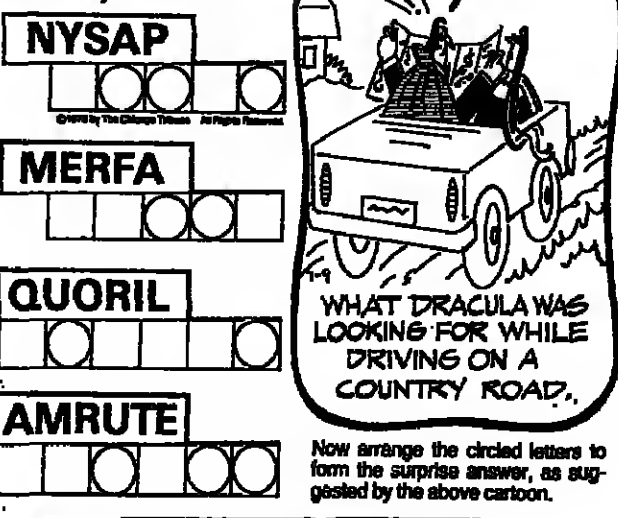
I'LL HAVE TO CHANGE MY BREWERY - I'M BEGINNING TO FEEL INFERIOR TO PEOPLE I KNOW I'M SUPERIOR TO



1-9 SMITH



JUMBLE® THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



ANSWER THE:  

(Answers tomorrow)

Saturday's Jumbles: **PIECE COLON BASKET LAWFUL**
Answer: How to move with the times —
"CLOCKWISE"

*"Registered as a newspaper at the Post Office"
Printed in Great Britain.*

BOOKS.

FORKING IT OUT

23 Women Writers, Artists, Scientists and Scholars

Talk About Their Lives and Work

Edited by Sara Ruddick and Pamela Daniels. Forewords by Adrienne Rich. Pantheon Books. Illustrated. 349 pp. \$11.95.

Reviewed by Alden Whitman

A MIXTURE of feminist anathemas—indictments of what are assertedly the ruling concepts in American intellectual life—"Working It Out" strives to develop a statement of current feminist thinking that is based on the authors' personal battles with male chauvinism. Articulate and angry, the authors often express viewpoints that what seems like schismatic terms.

Adrienne Rich puts it most boldly in her essay, which sets the tone for the book. "Feminism means," she asserts, "that we renounce our obedience to the fathers and recognize that the fathers they have described is not who we are." These ideologies are the creation of masculine subjectivity; they are neither objective, nor value free, nor inclusively human.

"Feminism implies that we recognize fully the inadequacy for women of the male-created ideologies, and that we proceed to think, and act, out of that recognition."

Miss Rich declares "that to make visible the full meaning of women's experiences, to reintegrate knowledge on terms that experience now the most important task of thinking." She means this quite literally, because she calls for "a community of women co-workers" who will "support and nourish" one another. Although such separatism is not fully accepted by all the essayists in this book, all do seem to project a desire for apartness in a world entrained by men.

Miss Rich's prescriptions are only slightly modified by Sara Edwards and Paula Friedland, who point out that there is "nothing new in women's work," adding:

"What is new is that women

in increasing numbers are choosing to work and that the way they are choosing is not justified solely by its contribution to a well-being of their families."

The 33 women who contribute to "Working It Out," all co-edically from the top or middle class, ventured 10 years and long into career areas that have been virtually exclusively male. Bright, they nonetheless discovered that men were not about to let them into the club, a circumstance that served to increase their sense of ineffectuality.

One of the liveliest essays—among the least self-conscious—is political in the sense of Weissstein's titled "How Can Girl Teach a Great Big Class Men?" An experimental psychologist, Miss Weissstein joins M. Keller in giving Harvard a jump, but she concentrates on the wit and humor of her struggles for an academic job in the 1980's. She also observes that the scientific world has changed since she squeezed into it, "because I managed to become an established psychologist with it, but because a woman's movement along to change character."

On the evidence of "Working It Out," the scientists had no difficulty in achieving careers that writers and artists, a teachers of English literature and field, in which women have traditionally been accepted as joyously welcomed. Even so the essayists stress their loneliness and confusion and troubles they had with the senses of guilt, if they were in the field or were mothers.

Giving the essayists' experience—at least their present one—men can readily understand their drive toward self. The depths of the essayists' anger and the height of their

CHESS.

-By Robert Byrnes

Boris Spassky used to describe himself as the lazy Russian bear who dawdles at first, later to spring into powerful action. The way things are going in his final candidate match with Viktor Korchnoi in Belgrade, Spassky is doing more hibernating than lunging.

His opening preparation seems to be very much a sometime thing—if he burned the midnight oil, the chances are his warm haze caused him to doze off. Against a well-known Korchnoi preference, the Winawer Variation of the French Defense, Spassky has come up empty-handed, lacking a viable attack and losing two games.

However, in other games, it has been evident that Spassky has profitably put in some hours of home analysis. For example, in the fifth game, he produced an improvement in a formerly doubtful line of defense against the English Opening and fairly convincingly achieved a draw.

Spassky avoided ... N-E4; 8 P-E4, B-N5; 9 Q-K2, Q-QR4; 10 B-E2, Q-B3; 11 P-B3, O-O; 12 N-Q4, an ineffective counterattack that lost for Black in Karpov-Miles, Tilburg 1977. Again, after 1... B-N5; 8 B-N2, he wisely opted for ... N-E4; 9 B-E2, Q-QR4; 10 P-B5; N-E5; 11, B-QB1, P-Q4; 12 P-P4, O-O; 13 O-O, B-E2; 14 Q-C3, B-N1; 15 P-QR4! which gave Black great trouble developing his queenside in the game Karpov-Korchnoi in Kark. Yugoslavia, in 1976.

Against Spassky's immediate 8 ... Q-R3?, Korchnoi might have considered the gambit 9 P-B5, Q-B5; 10 B-QB1, B-E2; 11 P-QB1, which gives White some compensation for his pawn. Instead, his retreat to 8 ... Q-B3 permitted Spassky to develop his game smoothly by ... B-N2; 10 P-E2, O-O; 11 O-O, P-Q4.

Korchnoi arranged to rid himself of the backward QBP by 15 B-Q3, relying on the point that 16 ... P-P2, 16 B-E2, Q-B1; 17 B-QB3, N-B3 (not ... B-N2; 18 B-N1, P-E3; 19 N-KA1 with a winning kingside attack); 18 Q-Q4.

SPASSKY/BLACK

KORCHNOI/WHITE
Position After 15 Q-B4

PxQ; 19 NxP would yield WR a clear two-bishop positional advantage.

On 16... B-N5; 16 B-N Korchnoi's second pawn sacrifice could not be accepted either because 16... BxP; 17 KR-K1, B-18 NxP, PxN (18... NxN; 19 Q-PxP; 20 BxN, P-B3; 21 BxP Q-B1; 22 R-K7 would give WR winning positional superiority) 19 B-QB3, P-QB3; 20 BxQ P-21 BxR, R-B2; 22 R-E3 would have left Black without suffice compensation for the lost c-pawn.

However, Spassky's 16... N-B brought him through some complications without serious damage. After 21... B-E3, Korchnoi's had a two-bishop ending with mobile kingside pawn major against Spassky's crippled QR yet the black pieces were all so placed.

Spassky's 25... N-N7; 26 R-Nxch; 27 PxN produced black of opposite color and e was nearly useless while QP. Kor could not but have improved pawn situation after 27... B-B4; 28 R-N7, R-E2; 29 B-QB1; 30 R-K1, B-Q4; 31 P-R4, B-E3; 32 B-R1, R-E7ch; 33 R-because 33... B(0)-Q1 would have forced the recovery of the v-pawn.

On 44 R-E3, the draw agreed upon since 44... R44 R-Bsch, K-N3; 45 R-E2, F is dead level.

WHITE		ENGLISH OPENING	
White	Black	White	Black
Korchnoi	Spassky	Korchnoi	Spassky
1 P-QB4	P-QB4	25 Q-B3	P-R5
2 N-KB3	N-KB3	26 K-B2	P-R6
3 N-B3	N-B3	27 B-N3	N-N7
4 P-Q4	PxP	28 PxP	NxBch
5 NxP	P-K3	29 P-Q1	KR-Q1
6 P-KN3	Q-N3	26 R-K1	Q-Q2
7 N-N3	B-N5	27 P-N4	P-R3
8 B-E2	Q-R3	30 R-Q3	K-E2
9 N-Q2	B-N2	31 P-B4	R-N4
10 P-B3	O-O	32 B-E3	P-QR4
11 O-O	P-Q4	33 B-E3	P-E2
12 Q-N3	B-Q2	34 R-Q4	P-R5
13 Q-R3	N-QR4	35 B-Q4	R-N5
14 PxP	PxP	36 P-E3	R-R3
15 P-QB4	B-N5	37 BxR	R-N4
16 B-N2	N-K5	38 P-QR3	P-R4
17 NxN	PxN	39 R-R3	PxP
18 B-QB3	PxP	40 R-PxP	P-B4
19 QxQ	Q-N1	41 P-N5	R-N6
20 BxP	Q-B1	42 B-N4	P-B5
21 P-B3	B-K3	43 B-E3	P-Q4
22 KR-N1	P-QR4		Draw

'I never cared to be stereotyped, but it's true that over the years, directors have tended to the archetypical good American—whether it's "Mr. Roberts" or "12 Angry Men." They think of me as representing goodness and the law.'

CLASSIFIED

D ADVERT

For the spring, at least, Fonda plans to return to his West Coast home (there's another one in New York) and relax. "Shitree deserves it and I need it."

The interlude in California, he says, will be low key. "I want to get back to my eight dogs, two cats, and several hundred thousand bees," says Fonda, "and also, I never miss spring planting in my organic garden."

Evil Kneivel, now serving a six-month sentence for assault in Los Angeles County Jail, is in trouble again. Evie's on a work-through program and on his way to the county jail for the night. He was in prison. A friend brought him in a few hours later and Kneivel was booked on a charge of escaping from the jail. Why was he late? "This is what he told his probation officer, before deciding to return: 'The upset, man. I've been

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	<p>DIAMONDS</p> <p>BUY DIAMONDS</p> <p>All first source prices from the leading diamond firms at the diamond exchange of all world. Quality guaranteed by certificate. Contact us for full information or visit us.</p> <p>INTERNATIONAL DIAMOND SALES, Diamond Brokers, 31 Herengracht, 2000 Achery (Belgium). Tel.: 31 65 65 Telex: 35375 INDISA B.</p>	<p>OFFICE SERVICES</p> <p>GENEVA</p> <p>Full Service is our Business</p>	<p>REAL ESTATE TO LET/SHARE</p> <p>HOLLAND</p> <p>RENTHOUSE INTERNATIONAL 020-448751 (4 lines) Amsterdam, Amsteldijk 142.</p> <p>PIERRE'S SERVICES. In Amsterdam, Hilversum & Utrecht areas. Tel.: 05-1278.</p> <p>U.S.A.</p> <p>NEW YORK PIED-A-TERRÉ, 2 rooms, garden, 15 min. F.R. & M. 20 minutes, 20 downtown \$350/month. All utilities. 212-84-1100</p>	<p>BILL TELE</p> <p>With good previous Good sales</p>
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cane 13 ft. h., 2 lamps, 1 set
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